U. K. Treaty Affects $211,000,000 of Imports

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The Nation's Business

Protests Against the U. K. Treaty
Overlook Further Tariff Cuts Yet to Come
Conference Led Way in Tariff-Cutting
Western Premiers Ask Ottawa for Impossible Favors

Leading the Way in Tariff Cuts

THERE is a great deal of academic speculation as to whether or not the Imperial Conference agreements, now announced in detail, increase or decrease the average of tariff protection in Canada, throughout the Empire or throughout the world. It would not be difficult to make out a case for either contention.

There are three important points of either attack or observation in the discussion.

There is the world viewpoint: has the conference strengthened the tendency to economic nationalism —or economic Imperialism, which is only a shade less reprehensible to a certain large group of economic thinkers—and has it therefore failed to carry out its promise of dynamiting a channel in the ice-dam of world trade?

There is the British viewpoint: has the conference forced Great Britain to take a stand that will injure her foreign trade at the same time that it puts undue burdens on the consumer?

There is the Canadian viewpoint: have the conference agreements provided us with a higher average tariff rather than the lowering of tariff walls that might logically have been expected? In other words, have the reductions in British tariff been small and disappointing compared to the increases in the general tariffs on many items.

From the three viewpoints the present discussion is worthy of attention.

* * *

WHAT the final influence of Ottawa upon world tariff policy will be remains to be seen. Those who are now drawing dogmatic conclusions have nothing but their own intuitions and judgments to go on. Sir Arthur Salter and other economists feel that it is unfortunate that Great Britain should be imposing new tariffs, which they assume she does not need, in order that she should be able to give preferences to the Dominions. They feel that it is unfortunate that the Dominions should be increasing their tariffs against foreign goods in order to give larger preferences to the United Kingdom.

The Economist, of London, represents the international, free trade viewpoint when it says:

> "The draft agreements, incomplete as they are, reveal sufficient indications of the trend of the concerted policy to warrant the conclusion that, from the standpoint of particular British interests and that of the world advantage alike, much more has been lost than has been gained.
>
> "The conference, as we see it, has failed utterly to realize its only worthwhile objective—the expansion, as opposed to the mere diversion, of trade.
>
> "The agreed principle of compensatory tariffs (with "infant industry" reservations) is in itself a denial of the only sound conception of specialized international exchanges of goods.
>
> "Where the real failure of Ottawa lies is in the total absence of any vindication of the truth that economic progress is to be sought in the general lowering of tariff values."

* * *

ALL of these objections would be thoroughly valid if there were reason to feel that the result of the Imperial Conference agreements will be solely and merely a diversion of Empire purchases from foreign countries to Empire countries. This The Financial Post does not believe to be the case. Some new intra-Empire trade will result from the purchase within the Empire of goods formerly purchased outside of the Empire. In practically every such case, however, the diversion will injure only those countries that have already set up such high tariff walls against the Empire as to make two-way trading difficult. Canada increases some of its tariff items in which the United States is particularly interested. But the United States has consistently and brutally driven Canada out of her markets. As a result, we are ready and anxious to divert purchases from the United States to the United Kingdom and those who protest on theoretical and international considerations should address their protests to Washington.

But such diversion of world trade will in any event be small compared to the new trade that will be created. The increased purchasing power that will accrue to all the countries in the Empire from larger

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GEORGE WESTON EARNS DIVIDEND PROFIT IN U.S.

Subsidiaries Operating on Profitable Basis; Gain on 1931 Figures

BUYS IN PREFERRED

Pays Off $106,250 on Lawlor Bread Purchase; Will Pay Off $100,000 More By Year End

Operations of George Weston Ltd. and subsidiary companies in the first nine months of the current year are stated to have been on a favorable basis and, while earnings for the year 1932 may not show as high as those in 1931 when $1.46 per share was earned on the common stock, earnings will more than cover the annual dividend requirements of $1 per share. Biscuit prices are stated to be down some 20 per cent from the 1931 level and dollar volume of sales shows proportionate decrease although tonnage is but slightly under that in 1931. Increase in the sales tax to 6 per cent from 4 per cent has been largely absorbed by the company and serves to reduce net profit.

Working capital position of George Weston Ltd. will be maintained at the 1931 level it is expected. At December 31, 1931, the company had current assets of $803,023 and current liabilities of $138,854, which gave a working capital of $664,169. During the current year $106,250 has been paid off on the purchase of Lawlor's Bread Ltd. and before the year is ended it is expected that a bank advance of $100,000 on this purchase will also have been retired. During 1932, the company has acquired some $30,000 par value of its preferred stock.

Preferred Well Covered

Sales of biscuits and confectionery reach a peak in the final quarter of the year and estimates of earnings are therefore difficult at this time. Based on the business done so far this year, however, officials of the company feel confident that earnings will exceed $1 per share on the common stock of which there are 50,000 shares outstanding. On this basis earnings on the preferred stock would amply cover dividend requirements of $7 per share as in 1931 when $15.35 was earned on each preferred share then outstanding.

Sales of William Paterson Ltd., wholly-owned subsidiary which manufactures both biscuits and confectionery, are stated to have shown a reduction of some 16 per cent due to price reductions in the past year while tonnage sales are about the same. The annual statements of George Weston Ltd. and William Paterson Ltd. are consolidated at the end of the year but the statement does not include figures of other subsidiary companies of which one is the Independent Biscuit Co., of Calgary, which was acquired in 1931 through exchange of stock. Operations of this company are regarded as satisfactory although sales are reflecting conditions in Western Canada and profitable operation must await improvement in that territory.

Bread Sales Good

Other subsidiaries include George Weston Bread & Cakes Ltd., which in turn controls Lawlor's Bread Ltd. and Regal Bakeries Ltd., and Weston Biscuit Co., Ltd., which operates in the United States. Earnings of these companies are not at present consolidated with the statement of George Weston Ltd., but the investment in these companies is carried in the George Weston Ltd. balance sheet at cost amounting to $387,322 at December 31, 1931. Operations of these subsidiaries are on a profitable basis but figures are not divulged. It is understood that the subsidiary in the United States is showing a substantial increase in profit over 1931 operations but it is not likely that a dividend will be paid to the parent company this year although a dividend could be paid. George Weston Bread & Cakes Ltd. is also understood to be doing well and bread sales have been maintained during the current year despite sharp competition that has existed in the Toronto field.

Officials of George Weston Ltd. feel that substantial progress has

(Continued on page 2, col. 6)

Highlights of the Week

Events and Topics That Make Articles for The Financial Post This Week

U. K. Pact in $.

Careful analysis of the new Canada—U. K. treaty and of other Empire treaties permits the new pacts to be evaluated in terms of dollars and cents. What the new treaties mean to business is shown. Page 1. Does the Imperial Conference agreement raise or lower the tariff? An important discussion of an important question. See "Nation's Business." Page 1. Summaries of the other Dominions' treaties. Page 8.

Shawinigan

President J. E. Aldred, in exclusive interview, gives his conception of future of Shawinigan Water and Power Company. Page 1.

Food Securities

Interesting securities on the exchange are those of the food manufacturing and merchandising companies. The different securities are analyzed for the investor in a special supplement this week. Covered are milling, sugar refining, chain store, bakery, biscuit, confectionery, packing, canning and similar stocks. Pages 11-16.

Bank of England

With such a central banking body to control money and credit, why has Britain had so much financial trouble? In his series of articles on "A Central Bank for Canada," A. F. W. Plumptre tells what Canada can learn from Britain's experience. Page 3.

Sales Tax

Col. A. F. Hatch, Hamilton industrialist discusses the sales tax, learnedly and practically. Industry does not like it—especially in a time of depression—but it might like substitute taxes less. Page 3.

Trade With Russia

Thornton Purkis thinks Canada is losing big business by refusing to trade with Russia. After a visit to Russia he outlines his views. Page 10.

Socialism in U. S.

To what extent is it an election issue? Discussed in "The World at Large." Page 6.

Import Trade Items Affected by Pact Total $211,300,000

Detailed Survey of New Budget Reveals General Tariff Will be Raised on $121,000,000 of Imports, or 57 Per Cent of Trade Affected

IRON AND STEEL HAS LARGEST VOLUME

United States Trade Volume Affected Totals $118,000,000, or One-Fifth of Total Canadian Imports — Pact Affects About One-Half of Britain's Imports to Canada

Painstaking analysis by The Financial Post of the entire list of 223 tariff changes made in the House of Commons in connection with the Anglo-Canadian trade treaty last week, reveals that on a "normal" basis of trading, total trade of approximately $211,300,000 is affected by the new federal budget revisions. Of this total, 56 per cent or $118,000,000 is import trade now carried on between Canada and United States and 32 per cent or $68,000,000 is trade between Canada and Great Britain. The remainder, or $25,000,000 is import trade between Canada and other countries.

Total Canadian imports from United States in 1930-31 were $584,000,000, so that the pact affects roughly one-fifth of our trade with U. S. A. Total British trade affected is almost one-half our total imports from that country in 1930-31.

"Normal" basis of trading has been taken as the actual volume of trade transacted in the fiscal year ending March 31, 1931, and it is on this basis that the above figures are calculated. Careful study reveals that in view of the heavy decline in commodity values, and having regard to the normal increase in trade which may reasonably be expected to materialize in the next five years (the life of the pacts) the import trade figures of 1931 present a reasonably comparable basis of calculation.

57 Per Cent Bears Higher Rates

A remarkable feature of this item by item study is the revelation that on the basis of 1931 figures, the new rates of duty announced by Ottawa show an actual increase in the general tariff on trade amounting to no less than $121,000,000 or 57 per cent of the total. This means that on roughly 21 per cent or one-fifth of the total dutiable imports in that year, the rate of duty under general or intermediate schedules has actually been increased. These figures cover the 139 items announced in the House by Rt. Hon. R. B. Bennett, and on which either the intermediate or general tariff rate, or both, had been increased.

Analyzing the 130 odd items in the new tariff where the British preferential tariff is now lowered it is found that the volume of trade now subject to a lower British preference is approximately $117,000,000. In other words of the total trade affected by the pact, about 56 per cent will gain an increased British preference under the new schedule.

Analyzed by groups, the figures reveal that alcoholic liquors and iron and steel items are the broad divisions affected most largely by the pact. Import trade in iron and steel items affected by the new rates, totalled over $50,000,000 in 1931. This trade represented about 35 per cent of the total iron and steel import trade in that year. Nearly 80 per cent of this $50,000,000 trade was credited to the United States in that year, while less than 20 per cent found its way into British hands. Analyzing the changes in the iron and steel tariff, item by item, it is found that in the majority of cases the increased British preference has been achieved by raising the general tariff and leaving the British preference unchanged. Thus out of 33 tariff items on which changes were effected, the general tariff has been raised on no less than 20.

In the alcoholic beverage group, a $33,000,000 trade practically all of which is now done with Great Britain, receives a further preference, of $2 or 20 per cent per gallon. The general and intermediate schedules remain unchanged.

Coal and Textiles

Coal and textiles share the limelight as the next most important items in point of trade value. Anthracite coal imports in 1931 were nearly $28,000,000 of which $20,000,000 came from the United States. The general tariff has been raised from 40 to 50 cents while British coal continues to enjoy free entry.

Textile trade of roughly $25,000 is affected by the pact over half of which already came from

(Continued on page 8)

B. C. Power Earnings Below Dividends To Date

From Our Own Correspondent

MONTREAL.—Earnings of British Columbia Power Corp. during July and August—the first two months of the current fiscal year —were insufficient to cover dividends on the company's 1,000,000 class A shares, which carry an annual dividend of $2 each.

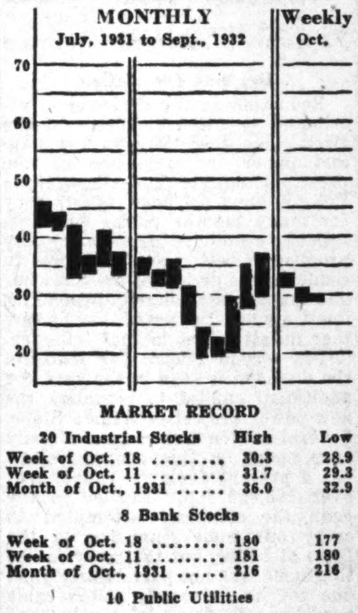
This is a period of the year when the services of the company are at low point, so that the fact of earnings being insufficient to cover dividends does not necessarily forecast the trend for the balance of the year. It is noted, however, that net income available for dividends on the Class A stock has been well below the figure recorded during the corresponding period of 1931.

During August last B. C. Power Corp. had a gross income of $1,047,553 and after operating expenses, a net income of $430,508. After provision had been made for depreciation, interest on bonded debt and other prior charges, there remained a balance of $66,493 applicable to dividends on the A stock. For the same month last year the balance available for distribution amounted to $145,995.

Cumulative returns for the two months ended August, 1932, indicate a gross revenue of $2,113,509 and net earnings of $887,320. Prior charges absorbed over $728,000, leaving $158,683 available for the A stock. For the same two months of 1931, gross operating income aggregated $2,387,805. Expenses totalled $1,384,350, while depreciation and other senior charges took $736,889, leaving a balance of $266,566 for distribution on the A stock, on which the dividends for the period totalled $333,332.

Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

20 Industrial Stocks	High	Low
Week of Oct. 18	30.3	28.9
Week of Oct. 11	31.7	29.3
Month of Oct., 1931	36.0	32.9
8 Bank Stocks		
Week of Oct. 18	180	177
Week of Oct. 11	181	180
Month of Oct., 1931	216	216
10 Public Utilities		
Week of Oct. 18	48	47
Week of Oct. 11	50	47
Month of Oct., 1931	59	56

G. D. FINLAYSON URGES RETURN OF DISABILITY

Superintendent Speaks Frankly to Actuarial Body at Ottawa

IMPORTANT MEET

Decline in Demand For Policy Loans Thought Only Seasonal — Many Papers Read

A frank statement to life insurance companies by G. D. Finlayson, federal insurance superintendent, expressing the hope that they would shortly devise an actuarially sound disability benefit for life policies, was an unexpected feature of the semi-annual meeting of the Actuarial Society of America, held at Ottawa last week. Over 200 actuarial experts attended this meeting nearly a quarter of whom were from Canada. The society was founded in 1889 and is the senior actuarial body on the continent. Its deliberations are always of first-rate importance to the life insurance fraternity.

Mr. Finlayson expressed the belief that the disability benefit was a valuable part of life insurance and that adequate safeguards could be devised to make it profitable and satisfactory to the companies.

Decline in Policy Loans

Another important fact — also not on the programme, but brought out in the discussions — was that the much-heralded decline in demand for policy loans which has been very marked since August, is apparently only a seasonal drop and must not be interpreted too optimistically as yet. Experience of major companies over a long period of years it was said, leads to the belief that a considerable seasonal decline in policy loans is to be expected in the third quarter of the year and that it will require the experience of another month or two before definite assurance can be given that the turn has come.

Highlight of the regular programme was the discussion which took place around the paper on "Panics and Cash Values" presented by M. A. Linton, president of the Provident Mutual of Philadelphia. The probable need for careful revision of life insurance investment policy in order to provide greater liquidity to meet the "panic" drain by way of policy loans and cash surrender values such as has occurred in the past three years, was clearly indicated. The whole matter of proper surrender charges and cash values was also thrown into relief by Mr. Linton's study.

Canada Suffers Less

Feeling among Canadian actuaries was that in Canada some of the troubles foreseen by Mr. Linton have been avoided in part because Canadian companies reduce the amount of their cash surrender values by a substantial surrender "charge" which is deducted from the loan or cash value of the policy for a period of from 10 to 15 years. In the United States a practice has developed among many companies of giving full surrender values after the second or third year.

In Canada, according to one prominent actuary, surrender charges at the end of the third year would range from $12 to $20 per $1,000 of insurance according to the plan and age of the policy. Canadian actuaries were deeply interested in the discussion, however, and were of the opinion that it was a question which it was highly advisable should be considered here at an early date. A similar warning was thrown out at Toronto only a week ago by J. G. Parker, actuary of the Imperial Life Assurance when speaking to the American Life Convention, it will be remembered.

Rewriting Policies

Informal discussion also took place on the vexed question of whether or not heavily loaned policies should be rewritten and if so under what circumstances. General opinion indicated that life actuaries were highly apprehensive of the dangers of this plan unless adequately safeguarded. Even then it was felt that any plans now in vogue for rewriting such business were largely experimental and various safeguards were suggested to govern this critical period of experimentation. Business so rewritten should have been in force at least five years it was thought; the loan should be equal to at least ten per cent of the face value; and must have taken place at least six months prior to when the policy was rewritten.

Many expressed the opinion that if it was feasible to rewrite such policies, this was evidence of unsoundness in the company's underwriting structure.

Valuable Group Data

A very important contribution to the group insurance field was the paper contributed by E. E. Cammack, on the combined mortality and disability experience of Aetna Life, Connecticut General, Metropolitan, Prudential, Sun Life of Canada and Travellers Insurance companies for the last ten years. In the experience there are over 23,000,000 years of exposure with 160,915 death claims and 24,643 permanent total disability claims. The experience is analyzed by industry for the two periods 1922-1926 and 1927-1930. The mortality

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Aldred Confident Of Future Outlook Shawinigan Power

Gives Views at Time When Dividend is Lowered

REASON FOR ACTION

Power Sales Good — Chemical Unit Secures Large Order for Acetic Acid

From Our Own Correspondent

MONTREAL.—Confidence in the future of Shawinigan Water and Power Co., was expressed by J. E. Aldred, president of the company, in an interview with The Financial Post.

"When we started this company back at the beginning of the century," said Mr. Aldred, "we regarded 50,000 h.p. as the ultimate capacity of the Shawinigan development. If anybody had told us that 30 years later we would have developed or under control nearly 1,000,000 h.p., we would not have believed it."

"Nor do I think that development is going to stop where it is. The resources of this province are beyond conception and in the St. Maurice River, Shawinigan has an enormous supply of low cost energy which is bound to attract industries.

It is my opinion that Shawinigan Water and Power Co. has been the greatest single factor in the industrialization of this province and due to its having unrestricted control of what is regarded as the greatest watershed in the world, there is no doubt of the future course of the company."

When Shawinigan Water and Power Co. initiated the production of electrical energy nearly 30 years ago, the district around Shawinigan Falls was largely a wilderness. There was a limited market for power, but the company commenced operations with firm contracts for nearly 20,000 h.p. The biggest and

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Bankers Discuss Dominion Financing

From Our Own Correspondent

OTTAWA. — Representatives of the chartered banks conferred with Hon. E. N. Rhodes, minister of finance, at Ottawa on October 17, and it is learned that full details of the impending Dominion bond issue were discussed.

The terms of the issue, which are to be announced within the week, according to present plans, are substantially the same as were forecast in The Financial Post last week. The government will seek a minimum of $100,000,000 and the bonds almost certainly will be issued for terms of 15 and 20 years at an interest rate of about 4.50 per cent, depending on market conditions.

'LANTIC SUGAR PAYS DIVIDEND ON NEW STOCK

Class "A" Preferred Placed on Regular 7 Per Cent Basis

From Our Own Correspondent

MONTREAL.—Dividends have been inaugurated on the new class "A" preferred stock of Atlantic Sugar Refineries at the regular rate of 7 per cent. Distribution of the first quarterly dividend on October 1 marks the first payment to be received by preferred shareholders since 1920 and represents the final phase of a long period of rehabilitation following the collapse of the sugar market 12 years ago.

Many things have happened since then. Plodding steadily forward, the company gradually strengthened its position. Bonds were redeemed, earnings tended to increase and late in 1931, in a flurry of trading, control of the common stock was secured by a group in Toronto. Capital structure was reorganized; preferred shareholders were given new stock, par for par, plus $82 principal value of a new 5 per cent debenture for arrears and now they are receiving regular dividends together with an income from their new debentures.

In 1933, provided dividends are maintained, the holder of a share of old preferred stock will receive a total of $11.10. This will comprise his regular 7 per cent dividend and interest at the rate of 5 per cent on $82 of new debentures. Old common shareholders, it will be remembered, disappeared from the picture with a payment of $30 cash for each share they held.

Funded Debt Reduced

Declaration of the dividend is of more than passing interest even though it does indicate what progress has been made since the dark days of 1920. The point is that restrictions in the trust deed of the general mortgage bonds precluded any dividend payments being made before funded debt was below $3,000,000; with the formation of the present company last year sinking fund operations were accelerated and the next balance sheet will show outstanding bonds at less than $3,000,000 compared with a total of $3,621,247 at the end of 1931.

The first mortgage bonds, of which there were $1,570,000 issued in 1914 and $70,000 outstanding at the end of last year, matured in July and were paid off, leaving the general mortgage bonds as the first charge on the property.

Speed Sinking Fund

These general mortgage bonds were originally issued in 1926 to the extent of $3,926,247 being created to satisfy raw sugar creditors in full payment of their claims. Sinking fund operations reduced the number of bonds outstanding but if the regular sinking fund had been adhered to the issue would not have been reduced to $3,000,000 (permitting payment of preferred dividends under the terms of the trust deed) until 1934.

As it is, things have been speeded up since the reorganization and preferred shareholders have not had to wait so long for a return on their investment. It is worth noting that the company's last balance sheet showed investments totalling $1,820,674 of which a large part comprised the company's own bonds purchased.

POLITICS RULE PACT DEBATES IN U. K. HOUSE

Opposition Critics Not Informed on Empire Matters

By HORACE T. HUNTER
Vice-president, The Financial Post

LONDON.—(By Cable). At the opening of Parliament this week the Imperial Economic Conference resolutions were the main business to come before the House of Commons but discussion of the resignation of Sir Herbert Samuel and his followers from the National government coalition was the dominant note. Throughout the debate on the conference, political considerations have ruled supreme in and out of the Parliament.

Rt. Hon. Neville Chamberlain's statement on Ottawa was a well-reasoned, business-like address but it lacked brilliance and failed to arouse any enthusiasm even among National government supporters. It made it clear that Mr. Chamberlain is hardly qualified to be considered as heir apparent to Prime Minister Ramsay Macdonald. He emphasized the necessity of laying a solid foundation for Empire trade development and contended that this was of greater importance than immediate trade results.

Free Trade vs. Tariffs

The debate in the Commons has developed into the academic and political discussion of the question of free trade versus protection and is reminiscent of similar debates in Canada 40 years ago.

The opposition in Parliament displays but the most meagre interest in the Empire as a whole. The Labor party considers that trade with Russia and the Argentine is vastly more valuable than trade with the Dominions. Socialist leaders argue that unemployment will be increased by the Dominion's pacts and they vigorously criticize the omission of immigration proposals from the agreements. The cancellation of the Russian treaty, announced by Rt. Hon. J. H. Thomas, is being savagely attacked. Opposition speakers declare that they do not consider Britain bound by any agreements as to a five-year term for the treaty preferences.

Both the Liberal and the Labor oppositions seem prejudiced and poorly informed on Ottawa. Their resolutions cite objections that are largely technical. They have little comment to offer on inter-Empire trade possibilities.

Macdonald's Fine Effort

The speech of Rt. Hon. Ramsay Macdonald, to which I listened, showed broad-minded statesmanship. It was a vigorous and virile utterance expressing whole-hearted and enthusiastic support for the conference resolution. Equivocation was lacking. The speech aroused much enthusiasm in the House. Macdonald stated that the acceptance by the former Labor government of Prime Minister Bennett's invitation to Ottawa meant the acceptance in general terms of the Bennett proposals. He knew that the conference would start where the 1930 conference left off. Failure, he said, was never possible.

Prime Minister Macdonald argued that the forthcoming World Economic Conference, to be held in London, had been helped rather than hindered by the Ottawa agreements. Britain was determined to

(Continued on page 8)

ALUMINUM CO. ARVIDA PLANT STEPS UP RATIO

Production is Increased to 75 Per Cent of Capacity

DEMAND WIDENS

Slack Business Last Year Reflected in Changed Status of Capital Stocks

From Our Own Correspondent

MONTREAL.—By the end of this week the Arvida plant of the Aluminum Co. of Canada will be operating at 75 per cent of capacity. Instructions were issued at the beginning of the week to bring about this increase in plant activity and to that end an additional 100 men have been added to the staff.

Unemployment conditions in the Lake St. John area have not been good for some months past and the additional production at the Arvida plant will contribute, in no small measure, to relieving conditions.

This is the most important operating step taken by the company this year and is to be regarded as reflecting an improvement in demand for aluminum. Last year conditions in the industry were not at all favorable and the companies under the control of Aluminium Ltd., including Aluminum Co. of Canada, were turning out about 50 per cent of their normal output.

During last year Aluminium Ltd. sold approximately 21,800 metric tons to consumers, exclusive of sales to partially owned companies and approximately 5,500 metric tons to partially owned companies engaged in fabrication.

Secure Big Contract

The increase in plant operations is attributed, in the main, to the recent contract entered into with the Russian Soviet authorities, which calls for delivery of several million pounds of aluminum. While the latter is undoubtedly the primary factor in bringing about increased production at Arvida, efforts of the company to widen sales in other directions have not been unsuccessful.

In the last annual statement it was pointed out that the company had decided in view of the widening use of aluminum, to strengthen its position as to both the supply of raw materials and the facilities for engaging more extensively in supplying crude, semi-finished and finished aluminum articles.

To this end nearly $1,000,000 was invested by Aluminium Ltd. in England and on the continent in new plant for the conversion of raw aluminium into finished goods.

Expect Better Earnings

The past year was an unsatisfactory one from the point of view of earnings. Expectations are, however, that sales will be larger during the current year and that net income will be on a better basis than in 1931, when it totalled $631,140, or only about 23 per cent of the 1930 total.

Loss on exchange due to the suspension of the gold currency standard in several of the countries in which the subsidiaries operate caused Aluminium a direct loss of $188,575.

In view of this situation, the management, early in the year, reduced the dividend on the 6 per cent preferred stock from $1.50 to

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ROBT. MITCHELL NOW DELIVERING NEW PRODUCTS

Manufactures Apex Lines and Monel Metal Sink Fixtures

From Our Own Correspondent

MONTREAL.—Robert Mitchell Co. is now in production of several lines of Apex Electrical Co. products, contract for whose manufacture was secured early this year. The company through its agreement with the United States organization, is making and delivering electric washers, vacuum cleaners and similar products.

Another step taken by Robert Mitchell to diversify its output was its arrangement with International Nickel Co. of Canada whereby Monel metal sinks are manufactured in Canada by the Mitchell Co. This agreement was concluded last July and sales are being built up gradually. It is understood that inactivity in residential construction has tended to hamper distribution of the Monel metal sinks but it is claimed that the exclusive right for their manufacture may prove valuable in the future.

Earnings Not Improved

Indications do not point to an improvement in earnings this year. Railroad business has been slack and due to restricted traffic activity there has been but a small demand for car bearings and railroad equipment produced by the company.

Liquid position has been relatively well maintained. At the end of 1931 working capital amounted to $732,218 with current assets equal to seven times current liabilities. Earnings totalled $130,981 and after depreciation profits were equal to 87 cents a share on the common stock. Dividends amounting to $1 a share were paid but disbursements were suspended in April this year.

ALUMINIUM CO. ARVIDA PLANT STEP UP RATIO

(Continued from page 1)

75 cents a share quarterly. By mid-year earnings had not apparently undergone any marked improvement, as evidenced by the fact that the directors eliminated dividends on this class of security.

Increase in plant operations at this time is regarded as a favorable omen for earnings during the balance of the year. As no interim statement has been issued by the company it is not known how income compares with dividend requirements on the 6 per cent preferred.

It is not expected, however, that a resumption of dividends will be considered until after the year end and results of foreign business are known. Even then there is the possibility that dividends will not be resumed until conditions are on a firmer basis.

Dome Mines Earns $1,752,399 in 9 Mos.

Dome Mines statement respecting production and earnings for the first nine months of 1932 indicates that 1932 will be the best year in the recent history of the company.

The following is the interim statement, which makes no provision for depreciation or depletion:

9 Months Ended Sept. 30, 1932	
Tons milled	399,950
Recov. per ton	$ 7,691
Oper. cost per ton	$ 3.82
Daily average, tons	1,460
Value of prod.	$3,075,959
Operating costs	$1,527,977
Taxes, estimated	$ 215,970
Operating income	$1,332,011
Add: Miscel. income	420,388
Net profit	$1,752,399
Earn. per share	$ 1.84

Consumers Finance to Issue Savings Certificates

Consumers Finance Ltd., of Ottawa, has made arrangements with the Ontario government to issue and sell in Ontario monthly installment savings certificates. Funds received from the sale of these certificates will be invested in investments prescribed for insurance companies by the Federal Government. Such securities, equal in amount to certificate liabilities, will be deposited with a chartered bank for custody to be released only with the permission of the Ontario Government.

Offering of the investment certificates to the public will be made when arrangements have been completed and a sales-staff is organized.

Lubricating Oil Prices Drop

Imperial Oil this week has announced reduction in prices of motor oils for winter consumption. It is anticipated that this action will probably be followed by other large manufacturers and distributors.

The Nation's Business

(Continued from Page One)

trading among themselves will multiply itself in the exchange of goods internationally between Empire countries.

There is nothing to prevent other groups of countries making bi-lateral treaties among themselves to do the same thing; to increase their respective exchanges of merchandise. In this manner will come the final breaking down of excessive tariff walls. And to this movement the Empire has given a worthy lead.

* * *

THEN there is the British viewpoint of protest echoed by the Liberal ministers who recently resigned from Britain's National Government. They objected that:

1. Protection in Britain has enhanced depression instead of increasing prosperity.
2. The policy of "hard bargaining" in Empire trade matters endangers the Commonwealth's future.
3. The Ottawa agreements tie Britain's hands in making agreements with other countries.
4. Britain gets less out of the agreements than she gives.
5. Food taxes will increase discontent in England.
6. Britain should not be required to curtail her trade with Russia.

It is true that Great Britain has increased its tariff substantially but that action is not the result alone of Imperial considerations but also of Britain's post-war economic and financial history. If Great Britain had no Empire associates it would have had to take such action in any event.

In Great Britain most of the criticism of the Imperial Economic agreements could more properly be directed against the adoption of any tariff at all by the United Kingdom. There has been a break in the National government not because of Ottawa but because certain people have decided that they cannot conscientiously go through with their implied assumptions of last November. These men should make it clear that it is protection rather than Empire solidarity that they dislike. But instead they are attacking the "bargaining" at Ottawa.

* * *

GREAT BRITAIN essayed the experiment of running an open market in a highly protected world and found that it was bringing her to ruin and inducing no other large nation to follow her example. Protection became a necessary weapon of commercial and financial self defense. But Britain has agreed with one very large group of nations, representing one-quarter of the world's population, to set an example of tariff-cutting that is capable of being followed by successively enlarging groups of nations until international trading can be largely freed again. The Imperial trade agreements are the greatest measure of tariff-cutting the world has seen since before the war and should be hailed rather than declaimed by free traders.

* * *

WE IN Canada are most interested in the criticisms that are now being voiced by Rt. Hon. W. L. M. King, opposition leader in the House of Commons. Mr. King crystallizes practically all the Canadian protests against the Conference results.

The chief point in Mr. King's attack upon the United Kingdom treaty is that the tariff reductions to Great Britain are not nearly as substantial as they should be; that they do not begin to reduce the preferential rates to the level of May, 1930. It is well to consider this point carefully for the reason that it is obvious not only from Mr. King's speech but from the attitude taken by most of the Liberal press throughout the country, that it will be the chief argument which will be used by the opponents of the treaty in their efforts to turn the country against it.

The point at issue is the very plain one of the measure of protection we need in Canada. The Liberals are obviously disappointed that Mr. Bennett has not used the Imperial Preference, as the Liberals used it for thirty-five years, as an excuse for tariff reduction. A discussion of the degree of tariff protection Canada needs is too wide a question to be settled by or even injected into a discussion of a trade agreement with Britain.

One point is important.

The Liberal politicians and press are entirely wide of the mark in representing that the present tariff reductions are the sum total of the tariff benefits that Britain—and the Canadian consumer—are to receive.

* * *

TO THOSE who were in attendance at the Conference, the point in issue will not require explanation.

It will be recalled that the British delegates, at the Conference, offered to Canada certain concessions which are now set forth in the treaty. In return they asked for tariff reductions on British goods entering Canada which would enable their manufacturers to compete in our market.

The Canadian government, after not a little consideration, agreed to grant to Britain a competitive tariff sufficient only to meet the difference in production costs between the two countries. Obviously, the Conference delegates could not decide what this tariff should be on each of the thousand and one articles of British export to Canada. Therefore, it was decided to set up the Canadian Tariff Commission and to use this body for purposes of investigation and report.

Here was the basis of the Anglo-Canadian treaty. Canada got concessions which are fully and finally set out in the agreement. Britain got a concession which the British delegates believed to be well worth all that they gave. This concession could not immediately be implemented but must await the issue of the Tariff Commission.

Finally and only as an "earnest" of tariff reductions to come, the British asked the Canadian delegates to incorporate in the agreement some small but fairly general reductions in the preferential rates. This was not really an essential measure, only a taste of real reductions to come. The Canadian government did so. It is these reductions that are now under criticism.

* * *

THERE is no little surprise that the Canadian government, in announcing the new treaty, has not at the same time announced the withdrawal of many of the onerous restrictions on British trade now existing.

There are in operation against Great Britain at the present time, many order-in-council trade restrictions. These take the form of exchange regulations, fixed values, dumping duties and the like. These orders-in-council are not touched, directly, by the treaty. But the Canadian government in the treaty undertakes to remove them just as fast as world conditions of exchange right themselves. They are, in fact, emergency measures of a purely temporary character.

The failure to modify them at the present time is not a substantial argument against the treaty but it may properly be criticized. It is to be hoped that the Prime Minister will not construe the impact of world conditions too rigorously. The restrictions are unpopular with ninety per cent of the Canadian public; most of them are unfair and merely give additional tariff protection to groups that really do not require it. In fact the Bennett government seems to have used the exchange regulations as an excuse for tariff increases in the same manner that the King government used the Imperial Preference as a convenient vehicle for tariff reductions.

Western Premiers Demand Impossible

THE premiers of Manitoba, Saskatchewan and Alberta have joined in a request to the Dominion Government to pay a bonus of five cents a bushel on the production of this year's wheat crop. There are many reasons which should put a repetition of last year's mistaken policy of such a bonus out of the question. But coming from the premiers of the prairie provinces who must know something of the difficulties of public finance at the present time, such a request is simply nonsense. They know, or should know, that the Dominion Government is in no position to find twenty million dollars for such a purpose. And they know, or should know that there is not the slightest chance of such a request being complied with, and that in making it they are needlessly complicating discussions of public matters. If a public treasury must subsidize producers, let them contemplate the possibility of their local governments supplying the money.

At the same time the western premiers committed themselves to another absurdity in asking the government of Canada to call a conference of wheat exporting nations, presumably to try to do something about the present price of wheat. In 1931 there were more than a dozen international conferences to discuss wheat, including one at Rome, intended to include all the countries of the world interested in wheat, and one at London intended to include all exporting countries. The latter was called at the instance of and was presided over by a Canadian representative, and it accomplished exactly nothing, because there was nothing that it could accomplish. True, plans were discussed for dividing up the international wheat market on a quota basis, but the absolute impossibility of getting such an agreement, even if desirable, was very quickly indicated. And certainly had Canada accepted any such plan she would have had to accept a quota smaller than she enjoys, and very much smaller than the percentage of world business she is doing at the moment. And in addition it would have been necessary to limit the production of wheat in Canada by law and by ruthless administrative measures. If there is to be international discussion of wheat, the countries Canada wants to talk to are those which buy her wheat, and which conceivably might be induced to take more of it. We have just concluded one such conference with Great Britain. After persuading Great Britain to put a duty against wheat from the United States, Russia and the Argentine, it would be difficult to discover just what to say to those countries in an international wheat conference.

A third demand from the western premiers was for a Dominion Government investigation into the recent increase of lake freight rates on grain. That proposal differs from the other two in that it is not inherently absurd. Lake freight rates have recently advanced, and have advanced as the result of a combination of steamship lines intended to produce just that result. There is nothing out of the way in the Dominion Government considering whether or not such advances are unreasonable, or have been brought about by improper means, and if they warrant any action.

ALDRED CONFIDENT OF FUTURE OUTLOOK SHAWINIGAN POWER

(Continued from page 1)

first customer at that time was the Pittsburg Reduction Co., now the Aluminum Co. of Canada, which had contracted for 5,000 h.p.

Foster Paper Industry

The rich resources of the Shawinigan area in the way of timber and power attracted the attention of the management. In the United States spruce was then being used for the purpose of making pulp, which in turn was converted into paper.

"We realized the possibilities of the timber resources in Quebec, but we could not raise capital in Canada or the United States for the purpose of establishing a pulp and paper industry," said Mr. Aldred. "We went to Belgium and there interested a number of Belgian capitalists in establishing the Belgo Paper Co. Later on we played a part in fostering the development of the Laurentide pulp and paper industry in the St. Maurice Valley area.

"Our greatest problem then was in creating a large load factor for our power plant. There was not the all-year round manufacturing activity that we have today. When winter came around, Montreal and other places simply 'dug themselves in until spring.' In the winter months, Montreal deliveries provided us with a good load factor, but in the summer, the demand for power fell off sharply.

"Through the establishment of paper plants the wide variation in the load factor over the year was greatly minimized. Later on we spread out and supplied power to the asbestos mines which use large quantities of power for crushing rock during the summer months.

Chemical Division Important

"Chemical industries were established at Shawinigan Falls through subsidiary companies. This has proven a valuable outlet for our power supply. Few people appreciate the extent of the Shawinigan Chemical properties. Because it is a subsidiary of Shawinigan Water and Power Co., its importance has been minimized. Were it a separate organization, Canadians would look upon it as one of the greatest electro-chemical enterprises in the British Empire. Millions of dollars have been invested in property and equipment and its output can also be measured in millions. The chemical subsidiary has always been a profitable venture for the parent company. And even today, under depressed conditions, the chemical division shows all operating expenses earned and, in addition thereto, liberal allowance for depreciation."

Has Cheap Power

Further comment was made upon the steps taken by Shawinigan Water and Power Co. to develop its territory and in speaking of the future Mr. Aldred said: "We will naturally be interested in fostering the further industrialization of the Shawinigan territory. The resources are there and Shawinigan is in a position to supply low-cost energy. In the St. Maurice River we have the lowest cost power in the world and our company is able to more than hold its own in attracting new industries."

Lower Dividend Rate

Coincident with Mr. Aldred's visit to Montreal, directors of the company met to take action on the common stock dividend, which was reduced to a basis of 25 cents for the past and current quarter, or at the rate of 50 cents a year.

In making this declaration Julian C. Smith, vice-president and managing director, stated that earnings for the nine months period ending September 30, 1932, were sufficient to pay the dividends declared for the whole of the year.

The new electric boiler plants which were mentioned in August circular letter sent to shareholders have been completed and are in operation. These electric steam boiler contracts will compensate to some extent for other losses of income, but the benefit from these new secondary power contracts is not reflected to any large extent in the income for the third quarter.

Show Dividend Earned

On the basis of the interim statement, share earnings of Shawinigan during the nine months amounted to nearly 79 cents a share.

Particulars of the income account for the third quarter and cumulative returns for the nine months follow:

	9 mos. end. Sept. 30, 1932	9 mos. end. Sept. 30, 1931
Gross Rev.	$9,442,286	$10,234,841
Expenses:		
Gen. Oper. & Main.	1,641,364	1,998,609
Power Pur.	1,036,036	1,012,385
Water Rentals	239,030	235,084
Taxes & Insur.	478,732	448,838
Net Oper. Rev.	$6,046,118	$ 6,539,925
Fixed Charges	3,029,045	2,932,256
U. S. Exchange	579,004	50,000
Sur. before Depc. & Inc. Tax	$2,438,069	$ 3,557,669

Reasons for Action

Reduction in the dividend is attributed to three factors. In the first place conditions in the pulp and paper industry—one of the principal outlets for Shawinigan Power—have not been satisfactory for many months past. The outlook does not appear to offer any promise of better conditions and in reducing the dividend, the Shawinigan management is only protecting itself against the possibility of further unsettlement in that industry.

The second reason for reducing the dividend is seen in the need for additional capital to complete the new power project at Rapide Blanc. Several million dollars have already been spent on this project, which has a present designed capacity of over 165,000 h.p. Earlier in the year the company attempted to carry out some financing in the form of bonds, but the reception of this issue was not particularly good due to the extremely unfavorable conditions in financial markets at that time.

By increasing its cash resources, through cutting the dividend, the company will be able, to a large extent, to finance the balance of expenditures on the Rapide Blanc through current earnings.

Demand for power of late has shown a substantial increase, due to the introduction of steam electric boilers, but there is the possibility that the market will not be able to absorb the output of the Rapide Blanc plant when it comes on the market. The company may need this power when it becomes available, but at the same time it may be necessary to carry the plant through a period of limited earnings. This the company will be in a better position to do through conserving its cash resources.

Power Sales Expand

In so far as current operations of Shawinigan Water and Power Co. are concerned, it is understood that all plants are operating at capacity and use is being made of the full water flow. Load factor is now at a relatively high point and kilowatt hour sales are near the top. These sales, of course, reflect the disposal of secondary power for steam purposes, which Mr. Smith points out in his statement to shareholders, is compensating the company to some extent for loss of sales of firm power.

Large Order for Acid

Shawinigan Chemicals Ltd., subsidiary of Shawinigan Water and Power Co., has lately received a substantial order for acetic acid on export account, involving the shipment of about 1,000 tons a month over the next four or five months.

This is one of the largest contracts placed with Shawinigan Chemicals for some time. Toward the end of last year this subsidiary was feeling the effects of the slowing up of business. The new contract, however, will keep the plant operating around 65 per cent of capacity, with production ranging in the neighborhood of 3,500 tons of acetic acid a month.

It is not expected that the new trade agreements entered into by Canada with the United Kingdom and other Dominions will have any particular bearing upon operations of Shawinigan Chemicals. The company is in a position to supply the entire British market with acetic acid.

Adopt New Lines

In addition to acetic acid, Shawinigan Chemicals manufactures and markets such widely used solvents as ethyl acetate, butyl acetate, amyl acetate and paraldehyde. It has also recently undertaken the manufacture of synthetic vinyl acetate, polymerized vinyl acetate and vinyl resins. The latter two are resinous substances which can be molded, shaped, drilled, etc., and are used in the manufacture of buttons and allied products.

Coincident with the increased activity in the acetic acid department, the carbide division has brought into use new furnaces. Prospects for increased business in this department are regarded favorably just now and there is the possibility that several more furnaces will be reopened.

GEORGE WESTON EARNS DIVIDEND OUTLOOK GOOD

(Continued from page 1)

been made by the company during the past few years. Surplus has been built up and new subsidiaries have been acquired that are operating on a profitable basis. The number of outlets for the company's line of biscuits has been largely increased and a manufacturing plant has been acquired in Western Canada to meet western demand. Improvement in business conditions during the next few years is expected to be reflected in demand for the company's products and with increased facilities for retail distribution the company is in a position to meet this demand when it materializes.

G. D. FINLAYSON URGES RETURN OF DISABILITY

(Continued from page 1)

and disability experience is about 5 per cent higher in the latter period than in the former.

In the non-hazardous industries actual claims were 7.46 per $1,000 of insurance in force in 1925, 7.36 in 1926, 7.09 in 1927, 7.84 in 1928, 7.95 in 1929, 8.09 in 1930 and 8.36 in 1931. And so in six years the actual claims per $1,000 increased 12 per cent. Nearly one-third of this increase is due to an increasing average age of those insured. The other two-thirds constitutes a real increase in mortality and disability rates.

Disability Proves Costly

The most remarkable feature of the investigation was the rapid and persistent increase in the rate of permanent total disability. During the period covered by the investigation, group policies have provided for the payment of the sum insured on death or on prior permanent total disability before age 60. The investigation showed that the rate of disability has increased 128 per cent in five years and that it is over nine times what it was ten years ago. The permanent total disability claims in 1931 in the non-hazardous industries were 43 per cent of the death claims below age 60.

The author stated that the cost of the benefit seems to depend more upon the attitude of the employer, the attitude of the employee, industrial and economic conditions and the interpretation of the courts than it does upon the actual rate of permanent total disability.

A paper was also read by Edward W. Marshall on "Parental History and Longevity" and while Arthur Hunter, actuary of the New York Life, spoke on "effect of Family History on Longevity."

In his presidential address, J. S. Thompson, vice-president of the Mutual Benefit Life Insurance Co., touched briefly on some of the major problems affecting life insurance at the present time and stressed the important part which the actuary must play in finding a correct solution of these problems. The problem of preparedness for policy loan is a financial one, he thought, and raises the question as to how high the costly factor of liquidity must be rated in the investment scheme. He found that earlier actuarial opinions on this matter reflected indifference to the possibility of large cash demands from policyholders. The present depression, it was pointed, out has created entirely new problems with surrender values in 1931 about double those of 1929, an increase of about $413,000,000. In two years, 1930 and 1931, policy loans outstanding have increased by about one billion dollars or a little less than 6 per cent of admitted assets. By contrast the increase in 1907 was less than $100,000,000 or 3 per cent of admitted assets at that time.

As to the fundamental question of the rate of interest return on investment, Mr. Thompson quoted liberally from the writings of actuarial leaders of previous decades who held to the view that the most potent determinant in fluctuations in the rate of interest, was the spirit of enterprise in the commercial world. "These principles," he said, "are as true today as when they were written and may be considered with advantage just now."

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SALES TAXES ARE BURDEN TO INDUSTRY

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OFTEN ABSORBED

In Times Like These Manufacturers Sell at Cost, Lose by Amount of Tax and Go Bankrupt

By COL. ARTHUR F. HATCH
Hamilton Industrialist, in Atlantic City Address

We do not like the sales tax in Canada. We do not like any form of taxation, but we have them nevertheless. We have a big war debt and we have to find the interest each year; we have to pay large annual bills for pensions and care of soldiers and their dependents. There has also been a great increase in what might be called public welfare. Much of this is good in principle, but much of it is bad because it tends to destroy individual initiative and thrift, but whether it is good or bad, we have to pay for it in the form of taxes. We also have to pay for a number of lamentable experiments in the field of government ownership. These bills are very heavy. We have been making large reductions in Dominion expenditures during the past couple of years and are planning further reductions, but, unfortunately, our national income has been declining and we have had to increase some forms of taxation.

Manufacturers Are Collectors

The sales tax is particularly burdensome on certain manufacturers because they have to collect it for the government at their own expense. This is a good thing for the government, but it costs the manufacturers a considerable amount to maintain the clerical staffs necessary to make the returns. Moreover, whether or not these manufacturers can collect, they must forward the tax to the government. In view of these conditions, you will readily appreciate that the manufacturers who have to collect the sales tax would be very glad to see it abolished, but they know that if it is abolished the amounts raised by the sales tax would have to be raised by other forms of taxation, some of which might be even more unpleasant than the sales tax. Therefore the sales tax is a present necessity in Canada, but nevertheless a form of taxation which we hope will disappear gradually as our expenditures fall and our income rises, if such a desirable consummation is ever achieved.

History of the Tax

The Canadian sales tax started with a rate of 1 per cent, rose gradually till the rate reached 6 per cent, then was reduced gradually during the good times again to the rate of 1 per cent, and with the need of revenue following bad times, it has gradually been raised again to 6 per cent which has been the legal rate since April 7, 1932.

The Canadian sales tax was established by the Parliament of Canada in 1920. In its first form it was really a turnover tax, that is a tax of 1 per cent applying generally on all sales of goods by Canadian manufacturers and also by Canadian wholesalers and jobbers, and, in addition, on goods imported into Canada from other countries. As soon as the tax was announced in this form, but before it had become law, wholesalers and jobbers interviewed the government, pointing out that such a system of taxation would discriminate against their business, because on their imports and also their purchases from manufacturers they would have to pay a 1 per cent tax and another 1 per cent tax on all their sales to customers; whereas large retailers could import directly and pay only 1 per cent, or buy directly from manufacturers and pay only 1 per cent. On the other hand, the wholesalers' sales to manufacturers would be weighted with not less than a total 2 per cent tax as against the 1 per cent tax which would be paid by larger retailers. As a result of these representations the original resolutions before parliament were amended and when the bill became law it provided a tax of 2 per cent on importations by retailers and consumers, and also on purchases made by retailers and consumers directly from Canadian manufacturers.

Weaknesses in System

The foregoing system required domestic wholesalers or jobbers, to be collectors of the tax, and there were constant disputes as to whether a concern was a wholesaler or a retailer. Many concerns carried on business for years before a government auditor would make a visit and rule that the concerns were wholesaling and should have paid sales tax on sales to customers. In such cases the concerns would be penalized because the goods having been sold and paid for no further sales-tax could be collected from the customers. In such cases concerns would have to pay the tax out of their own pockets. This system made it necessary for the government to audit both manufacturers and wholesalers or jobbers, and there was practically no such audit for years, owing to the impossibility of creating an expert staff of auditors quickly.

Changed in 1924

In 1924 the Canadian sales tax system was changed so as to apply the tax on sales by Canadian manufacturers of finished goods ready for the ultimate consumer, and on imports of finished goods ready for the ultimate consumer. Manufacturers were compelled to take out sales tax licenses which licenses authorized the manufacturer to purchase materials for re-manufacture into taxable goods for sale, free of sales tax. For example, the tanner imports hides free of sales tax, or buys these hides from Canadian packing houses, free of sales tax. The tanner when selling leather to a licensed harness manufacturer, or a licensed shoe manufacturer, is not liable for any tax. If, however, the tanner sells leather to a non-licensee, he is liable for the sales tax on the selling price. An instance of such sales would be to repair cobblers throughout our towns and cities. These repair cobblers are unlicensed, not being regarded as manufacturers, and the tanner must account to the government for the sales tax on his leather when sold to such non-licensees.

Not Manufacturers

It may be noted here that there are many small producers, such as tinsmiths, blacksmiths, furriers and the like who are not considered to be manufacturers under the sales tax law. But leather and other materials go into the shoe manufacturer's factory without being weighted with any sales tax. The same may be said of harness manufacturers and other manufacturers of finally finished goods as used by the ultimate consumer. But when the harness manufacturer sells his harness, or the boot and shoe manufacturer sells his boots and shoes, he will be selling to non-licensees, and therefore he has to account to the government for sales tax on such sales. Thus the government looks to a much less number of business concerns for sales tax under the present system than under the system in operation prior to January 1, 1924. There are fewer concerns for government audit because the tax is collectible practically entirely by manufacturers of finally finished goods, or by the Customs on imported finished goods. It is true that under the present system wholesalers may obtain a license, but it is not to the interest of wholesalers to take out a sales tax license unless a large proportion of their turnover is sold to licensed manufacturers for re-manufacture. If a wholesaler takes out a sales tax license he can sell to licensed manufacturers for re-manufacture without being accountable for sales tax on such sales, and when such a licensed wholesaler sells to non-licensees, he is only accountable for sales tax on the price he paid for the goods.

Removed Irritations

Of course, in the beginning of the present system there were thousands of differences of opinion as to what a manufacturer could be permitted to buy free of sales tax for re-manufacture into other goods for sale. For example, a furniture manufacturer was not allowed to buy sandpaper free of sales tax, although it is an expense material which is directly used up in manufacturing operations. A foundry was not allowed originally to buy molding sand free of sales tax as being material for re-manufacture. Polishing powder used in polishing metal was not allowed to be regarded as material for re-manufacture, but gradually the government removed these irritating anomalies in administration by amendments to the act, so that now all expense materials are treated the same as direct materials and may be purchased by a licensed manufacturer for re-manufacture into taxable goods, free of sales tax. But the licensed manufacturer must pay sales tax on capital account purchases, such as machinery for factory equipment, or materials for the construction of a factory.

Percentage of Total Revenue

In our country there has been considerable talk about the advisability of discarding the present system of sales tax and substituting the so-called French turnover tax, but investigation shows that the system in operation in France does not give the revenue which is obtainable under the Canadian system. In 1928, the French turnover tax only produced 18 per cent of the total revenue of France from taxation. In 1930 it only produced 16 per cent of the total revenue of that country from taxation. You will be interested, I am sure, in comparing the fruits of the French turnover tax with the revenue produced by the sales tax in Canada. This comparison is as follows:

Fiscal Year ended March 31	Rate of Tax		Total Revenue from Sales Tax	Total Revenue from Taxation	Percentage of Total Represented by Sales Tax
	Domestic	Import			
1921	2%	2%	$38,128,064	$368,770,498	10.3%
1922	3%	4%	61,518,751	319,926,013	19.2%
1923	4½%	6%	91,262,254	335,453,451	27.2%
1924	4½%	6%	100,990,077	341,718,807	29.6%
1924*	6%	6%	....	....	...
1925	5%	5%	66,707,370	293,914,518	22.7%
1926	5%	5%	74,025,093	327,575,013	22.6%
1927	5%	5%	82,305,671	342,249,272	23.7%
1928	4%	4%	72,100,244	364,705,803	19.8%
1929	3%	3%	63,646,671	395,921,028	16.1%
1930	2%	2%	44,858,701	378,551,626	11.8%
1931	1%	1%	20,884,101	296,276,000	(appr.) 7.0%

* From January 1, 1924, the rate on both imported and domestic sales was 6%.

Would Mean Discrimination

It is generally urged that a turnover tax would involve a small tax of say, 1 or 2 per cent on every transaction right through to the consumer, and that this tax would be so small as to be felt by no one. But those who visualize a so-called turnover tax as applying a uniform percentage rate of, say 2 per cent on all transactions until goods reach the ultimate consumer, will appreciate the fact that wholesalers and jobbers, and probably retailers also, would again experience the discrimination which had been corrected on their behalf in connection with the 1920 Canadian budget. Thus, under such a system it appears certain that there would be pressure for varying rates of sales tax, that is to say, a higher rate on direct importations by retailers and consumers, and on purchases made directly by retailers or consumers from Canadian manufacturers. We believe, therefore, that any so-called turnover tax, in the interests of all channels of business so far developed in this country, would necessarily involve varying rates of tax, depending on the status of the customer. In other words, there could be no one universal sales tax rate without creating extremely unjust conditions on various channels of business as commonly developed at present.

And More Taxation

Because of greater pyramiding in some branches of business than in others, a uniform turnover tax which would apply a small tax on every transaction through to the ultimate consumer would exact more taxation from some groups of business than from others.

As respects exports, no sales tax applies under the present Canadian sales tax system on goods that are exported. But under a turnover tax, which would apply a small tax on every transaction, there would be a number of pyramiding turnover taxes paid on materials before the goods were finally manufactured into condition as exported, and it would appear to be impracticable to get all these turnover taxes back on proof of export due in many cases to the small sums involved. It appears that this would handicap Canadian producers in competing in world markets for export trade. Moreover, such a turnover tax would increase the capital investment of Canadian producers—for example, even a single 2 per cent turnover tax on a purchase by a manufacturer of materials on, say, a $300,000 inventory would represent a capital increase of $6,000. Also a turnover tax which would apply a small tax on every transaction would be vastly more expensive to administer. In Canada the present staff of government sales tax auditors is insufficient to audit manufacturers' sales tax payments annually, and while the present staff consists of 114 auditors, merely to audit manufacturers at long intervals, it would require an immense increase in this number of auditors to, in addition, check or audit all wholesalers', jobbers' and retailers' accounts.

Is Simple System

The Canadian sales tax system, we believe, is a more simple system and presents fewer administrative difficulties than any other sales tax system of which we have knowledge, because these sales taxes are collected practically entirely from Canadian manufacturers and by Collectors of Customs on imports which are not to be further manufactured in Canada. Thus the comparatively small number of sales tax collectors eases the administrative difficulties, and leaves the government freer to study and correct any irritating difficulties which arise from time to time, and which can be corrected on behalf of business without undue sacrifice of revenue.

Why Tax is Opposed

Principally we are opposed to the sales tax because, from time to time, particularly in periods of world depression, manufacturers must sell goods at cost in order to keep their factory organizations together. In such cases, the sales tax is a penalty which serves to drive the manufacturer nearer to bankruptcy. Moreover, unforeseen and unfair hardships arise which the government must have power to correct by special legislation or else the whole system would be most damnably oppressive. But when governments have exhausted every avenue of taxation, as it appears we in Canada have, the sales tax system as in operation in this country, permits the collection of large additional revenue without undue expense to the government, and manufacturers in Canada generally accept the application of this tax and loyally assist the government in every way in its administration because of their knowledge of the government's insistent need of revenue which apparently can only be supplied from this source.

The following shows the details of revenue receipts of the Government of Canada for the fiscal years indicated, ending March 31:

The figures illustrate how the sales tax collections fell as the rate of sales tax was reduced. Now that the rate has been restored to 6 per cent the collections have been steadily rising in a substantial manner.

Consolidated Fund Receipts:—					
Taxation—					
Customs	141,968,678	156,985,818	187,206,332	179,429,920	131,208,955
Excise	48,513,160	57,400,898	63,684,954	65,035,701	57,746,808
War Tax Revenue—					
Banks	1,174,665	1,224,645	1,242,399	1,408,420	1,429,264
Trust & L. comp's	335,368	345,430	7,641	....	6
Insurance comp's	947,830	999,003	894,864	74,416	74,250
Business profits	710,102	956,031	455,232	173,300	34,430
Income tax	47,386,309	56,571,047	59,422,325	69,020,726	71,048,022
Sales tax, tax on cheques, transportation, etc.	105,613,160	90,222,931	83,007,283	63,409,143	34,734,661
Totals, receipts from taxation	346,649,272	364,705,803	395,921,028	378,551,626	296,276,396

British Experience Valuable to Canada

Bank of England May Make Mistakes But Britain's Central Bank is Important Asset Lacking in Canada

By A. F. W. PLUMPTRE
(Lecturer in Money, Credit and Prices, University of Toronto)

The experience of central banks in other countries is a matter of concern to a country which is considering indulging in a brand new one of its own. In two previous articles the objects for which central banks have been founded were examined and the ways and means by which they attain these objects were discussed in general terms. But this article is concerned with actual events and with the story of success and failure which an institution has achieved.

From the point of view of the Bank of England, post war financial history has turned out all wrong. Apparently, her virtue has not been rewarded, her assistance of her weaker neighbors has sapped her own strength, her farsightedness has led to the disaster of her more immediate policy of maintaining the gold standard; while those countries, which according to many writers are the chief villains, hold the centre of the stage of international finance, loaded down with gold. This tragic scene has developed recently and rapidly. In the autumn of 1930, one might have been tempted to paint quite a rosy picture of the preceding events, not omitting to mention that speculative fever was now under control and that no one could greatly pity a "bull" who had run amuck in a "bucket shop."

Experience Advises Caution

The fact that the scenes have changed leads to caution in giving a verdict upon the existing situation. Otherwise one would be tempted to say outright: "Central banks have failed in everything they considered most important. They have failed to make the gold standard secure. They have failed to gain international co-operation. They have failed to instill general confidence in monetary affairs. They have failed to stabilize the general price level."

But it is easy in 1932 to make a list of failures. It would probably include not only central banks but also capitalism and communism and Christianity and culture and civilization. It is in company with these other catastrophes that the shortcomings of central banks must be judged.

Of all the financial incidents that the world has seen, the British abandonment of the gold standard was probably the most dramatic. It was the end of a six-year struggle. This struggle the English Treasury and the Bank of England had imposed upon themselves in 1925, without realizing how long or how bitter it was to be.

By 1925 the effect of war time inflation remained more evident in England than in the United States. Prices and costs of production were higher in England. If the pre-war exchange rate between the dollar and the pound was to be adopted and maintained, England had to undergo further deflation, bringing her prices and costs of production down into competitive relationship with those prevailing in the United States and elsewhere.

Nevertheless it was considered by the Treasury and the Bank of England that the old dollar-pound exchange rate was desirable upon other grounds. Thus, by her exchange rate policy, England was put at a competitive disadvantage with other countries; and this was subsequently aggravated by the growth of tariffs and the decreasing world demand for British products.

Many Panaceas

What should the bank have done in order to maintain the gold standard once it had been readopted? Of course everyone who has studied the situation knows—and has his own pet scheme. Some say that the only way was to sacrifice all attempts at immediate prosperity and go in for drastic and painful deflation to get on an even competitive footing with the rest of the world. Others say that this result might have been attained by an even more inflationary open market policy which by increasing credit might have relieved depression in England and stimulated the re-equipment of her inefficient industries. Still others would claim that the middle course, which was actually followed, was the only one possible.

Which was it to be, a violent operation, patience under a long drawn out illness, or a new drug? The financial doctors, in their tall silk hats, decided on the long hard pull with alternate doses of stimulants and sedatives. But the patient caught depression fever in 1930 and in the delirium of 1931 slipped off the uneasy bed of the gold standard. The doctors were less discredited than might have been expected; and the condition of the patient was apparently eased by the shock.

Lessons to be Learned

There are many lessons to be learned from this experience. The most obvious is that central banks may make errors of very serious dimensions. But the problems that confront central banks exist, whether these banks are on the scene to attempt a solution or whether it is left to chance or to political or to private decision. Should England have returned to the gold standard at the old dollar-pound parity? The problem was not raised by the Bank of England; but that body suggested the correct answer was in the affirmative. Since the advice came from experts it was taken.

The original advice turned out to be, in all probability, mistaken. The subsequent actions of the experts were also widely criticized. Eventually their whole policy failed outright. Then one of the political parties dared to suggest that the experts should be changed—that the Bank of England should be "nationalized." And thus the Labor Party came to grief last October! The prestige of the bank was sufficient to allow it to ride securely over the waves of political criticism.

But at least the bank was there to be criticized. It accepted responsibility for the good conduct of the nation's monetary affairs. In Canada at present there is no focus for opinion. Our currency is at present at a substantial discount. Why? Who let it get there? Could it have been saved by borrowing at the time or by building up larger gold reserves in the past? Who is responsible for deciding how much gold ought to be kept? No one is responsible.

No Control of Exchange

Another problem presents itself. Suppose that the Canadian exchange remains near a discount of say 15 per cent for some period, and our industries become adjusted to that level. We should then be in the position in which England found herself in 1924-1925. The economic structure of prices and incomes would be such that, at the old dollar parity with the United States we should find both our export industries, and those which compete against imports in our home market, at a competitive disadvantage, with costs higher than selling prices. Who, then, should decide whether we should follow the British path and bring our dollar back to its old par in New York at the expense of painful deflation and continued depression or whether we should maintain the discount permanently? Is it entirely satisfactory that an overworked prime minister should make the decision? Should it be decided unofficially by the presidents or general managers of the leading banks? Or should it be decided by a public body of experts on monetary matters?

In 1925, England decided to revert to the old exchange rate with the American dollar. This decision was one of the chief among the causes of the six years of subsequent depression. Yet most Englishmen probably assumed at the time that it was "natural" to go back to the old dollar-pound exchange rate. Most Canadians probably assume that it is "natural" that we should eventually get our dollar back to parity with the American dollar. But in reality the decision is just as important as that which England took seven years ago. The correct answer may be the same as in England's case, or it may be different. The question is, who is to give the answer?

The choice would seem to fall naturally upon some official body of experts in spite of the fact that they might make mistakes and in spite of the fact that even they are liable to give the claims of financial interests more weight than the claims of industry or agriculture. For the English experience we have reviewed has shown that the interests of various sections of the community may differ, perhaps very widely, in matters of monetary policy. On the other hand there are many who, perhaps not entirely unreasonably in the light of that experience, adopt a defeatist attitude and say that there is no solution to the problems so why should a central bank be founded to discover it?

Where Stabilize Dollar?

There is another immediate monetary choice which is facing Canada. That is the choice between stabilizing the Canadian dollar in terms of sterling or in terms of the American dollar during the period while the sterling United States dollar exchange continues to fluctuate. There is no immediate prospect of these fluctuations being eliminated by an early return of Great Britain to the gold standard, although it is the official British policy to return at some future date.

This problem of the choice between sterling and the American dollar was widely discussed before the Imperial Conference last July. It was thought that some decision, at least temporary, might be reached at that time. But for various reasons, chief among which was the apparent impossibility of reaching an agreement among the Dominions as to a policy which suited them all, the choice was postponed until the World Economic Conference to be convened this autumn. Whether any greater measure of agreement and co-operation from this large group of nations is to be expected is at least dubious, because the group includes countries whose interests and whose financial policies and philosophies are widely divergent. The enunciation of some monetary generalities by that conference will not greatly assist Canada in her immediate problems. These must be solved for Canada by Canadians.

Editor's Note.—This is the third article in a series, "Does Canada Need a Central Bank?" Further articles by Mr. Plumptre will follow in succeeding weeks.

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Utilities and Transportation

QUEBEC POWER INCOME TO DATE HOLDS UP WELL

Covers Common Dividend During First Nine Months

From Our Own Correspondent

MONTREAL.—Income for Quebec Power Co. during the nine months ended September 30, 1932, indicates that after depreciation, net earnings were slightly in excess of dividend requirements of $1.50 a share on the common stock.

Gross income during the period totalled $3,174,585. Operating expenses, taxes, etc., absorbed $2,016,334, leaving net earnings of $1,158,251. Fixed charges accounted for another $441,231, so that balance available for depreciation and dividends amounted to $717,020.

Depreciation of $102,000

For several years past Quebec Power has been accustomed to write off $150,000 each year for depreciation, or at the rate of $102,000 for the nine months. If this sum is deducted from earnings during the period January-September, 1932, there remains $614,220 available to take care of dividends totalling $547,477 No provision is made in these calculations for income tax, which rank as a senior charge.

During the third quarter of the current year income totalled $1,063,396, a gain over that reported during the preceding three months. After providing for operating expenses, taxes, and fixed charges, there remained $230,050 available for dividends and depreciation.

Interim Income Report

Following are the interim accounts for the past two quarters and for the nine months to date. Comparative figures for 1931 are not available, as this is the first year in which the company has made public quarterly earnings:

	Third quarter	Second quarter
Gross rev.	$1,063,396	$1,027,760
Exp., taxes, etc.	686,651	678,683
Net earn.	$ 376,745	$ 349,077
Fixed chgs.	146,695	146,695
*Surplus	$ 230,050	$ 202,382

* Before depreciation and income tax.

The consolidated statement of earnings and expenses for the nine months ending September 30, 1932, follows:

— NINE MONTHS —

	1932
Gross revenue	$3,174,585
Op. exp. taxes, etc.	*2,016,334
Net earnings	$1,158,251
Fixed charges	441,231
**Surplus	$ 717,020

* Includes adjustment of sterling and U. S. A. exchange.

** Before depreciation and income tax.

Jamaica Public Service Earnings on Lower Scale

From Our Own Correspondent

MONTREAL.—A decrease in both gross and net income is reported by Jamaica Public Service Ltd. for August compared with the same month a year ago. Income from all sources during the period amounted to $61,784, a gain of $4,174 over August, 1931. After taking care of all expenses, including operating, taxes, interest and amortization charges, there remained a balance for reserve, retirement and dividends, of $16,006, as against $16,888, a year ago.

Accumulative returns for the 12 months ended August 31, 1932, show gross earnings of $793,997 and after payment of operating expenses, taxes, net earnings of $315,342. To this was added income from other sources amounting to $3,911 and deduction of interest and amortization charges at $112,167 leaving a balance of $207,085. For the preceding 12 months, gross revenue amounted to $838,146, operating expenses and taxes, $490,735, leaving net earnings at $347,410. Interest and amortization charges amounted to $113,076, leaving a balance of $234,334.

No Decision Reached on Ottawa Electric Fares

From Our Own Correspondent

MONTREAL.—No decision has yet been reached with regard to the application of Ottawa Electric Railway Co. for an increase in tariffs. The company, which now has in force a 7 cent cash fare or four tickets for a quarter, is seeking a straight 10 cent cash fare.

Passenger carryings during the current year are understood to be on a lower basis than last year; in 1931 the decrease in passengers was slightly over 2,000,000. Earnings were equal to $2.44 a share on the common stock, practically all of which is held by the parent company Ottawa Traction Co. No dividend has been paid on the operating company's shares since 1927.

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Manitoba's Utilities Board Fixes Prices of Fluid Milk

Unique Experiment Has Worked "Reasonably Well" in First Few Weeks—Action Defended as Necessary to Prevent Winter Shortage in Greater Winnipeg

Manitoba is making an experiment in price control of milk which will be watched with great interest by the whole dairy industry of Canada. Following one of the most serious milk price wars known in Canada with milk prices dropping to such low levels that newspapers reported "strikes" of producers, the whole matter was heard before the Municipal and Public Utility Board, which has set the buying and selling prices for milk and milk products for the coming winter. The order is an interim or temporary one but is to last until the twentieth day after the opening of the next meeting of the Manitoba Legislature by which time the authors no doubt expect that it will be given due sanction by law. It has been working since October 1, and one distributor reports that it is working "reasonably well."

Fear Milk Shortage

In Order No. 635 the Board refers to evidence given by representatives of the Winnipeg District Milk Producers Co-operative Association to the effect that there has been a shortage of pasturage due to grasshoppers and drought, that there has been difficulty in getting fodder among the milk producers in the Winnipeg milk shed and that as a result there is a prospective shortage of milk supply.

A former order of the board had referred to the extremely competitive conditions in greater Winnipeg, and in the new order it was stated that because of this competition the ordinary autumnal changes based on the cost of winter feeding could not be brought about and that the increased price of butterfat (19 cents per pound) would cut off the supply of milk for Winnipeg unless fluid milk producers' prices were increased at once.

Seven Companies Confer

With the board sitting in at times the following distributing companies later made a general arrangement for winter prices of milk for both consumers and producers, the prices being designed to secure an adequate supply of milk for the coming winter:

Crescent Creamery Co.
City Dairy
Modern Dairies
St. Boniface Creamery Co.
Piggly Wiggly Canadian
Home Dairy
Workers & Farmers Co-Operative Association.

Butterfat Price Governs

The board considered these prices fair and reasonable, but found it necessary for an outside body to give effect to the arrangement, mainly for the purpose of requiring that milk prices be fixed more nearly in line with the price of butter fat. The board takes this action in order "to ensure the public health or convenience" and enacts that milk producers shall pay $1.55 per 100 pounds (3.5 standard) f.o.b. plant to producers for quantities based on contract or quota arrangement between distributors and producers. To consumers, delivered at residences, the price set is 10 cents per quart and six cents per pint with schools only getting halfpints at three cents.

Stores Sell for Cash

Stores are required to sell milk for cash, to be carried away by the customer, at 8 cents per quart and a minimum of 4½ cents per pint or, in general, five cents per pint. This is subject to contracts in favor of hospitals and governmental, municipal, charitable or relief institutions.

Distributors are required to deliver fluid milk to stores or other operators desiring to re-sell the milk at 7½ cents per quart bottle, 4½ cents per pint bottle, and in bulk at 25 cents per gallon. In quantities half-pint bottles may also be sold at 2½ cents each.

It is enacted that cream in half-pint bottles shall be delivered at consumers' residences at 12 cents each for coffee or 18 per cent cream and 20 cents for whipping or 32 per cent cream. Stores can sell coffee cream, cash and carry, for nine cents a half-pint bottle and whipping cream for 15 cents. Stores must pay distributors 8½ cents for the coffee cream and 14 cents for the whipping cream. In quantities or by wholesale 18 per cent cream is sold for 35 cents per quart bottle of $1.10 a gallon in bulk, 25 per cent cream for 40 cents per quart bottle and $1.30 a gallon in bulk and 35 per cent cream for 50 cents per quart bottle and $1.60 per gallon in bulk. These cream prices are subject to variations in price of butterfat.

It is not permitted that milk shall be offered for sale in combination with offers to sell any other commodity.

Monthly Statement Required

Every purchaser of fluid milk for re-sale is required to keep and submit monthly statements as to quantities purchased from each producer, and disposition made of milk for sale as fluid milk and what is done with the surplus. These returns are for confidential use of the board.

The order does not apply to transactions between creameries and milk pasteurizing plants in Greater Winnipeg, to sales of buttermilk, skimmed milk or other milk products not mentioned and to milk in bottles bearing caps marked "certified" where such are issued by the board of health. Those desiring to vary prices must file an application before the board and cannot make a change unless approval is given.

Anticipates Supply and Demand

The experience in other parts of Canada has been that when milk for one purpose brings a higher price than for other purposes, sufficient milk is in time delivered to bring the prices in line, either by bringing down the high price or boosting the lower or by a combination of both processes. Also the natural expectation would be that if there is likely to be the shortage of milk feared, the actual fact would turn the competition in Greater Winnipeg to sell at low prices into a scramble to get the milk at advancing prices.

The board undertakes in this order to interpret what price the interactions of trading would bring in time in any case by the price of butterfat, the object no doubt being to secure a reasonable price for the producer and a fair price for the consumer.

Higher Than Toronto

The preamble to the order would indicate that the board feels that only the exceptional shortage situation justifies it in the action taken. The price given the producers at $1.55 per 100 pounds compares with $1.45 per 100 pounds to producers supplying Toronto. Producers in Ontario claim this price is too low but many of them sell milk for cheese at 65 cents per 100 pounds and offer it for milk much lower than prices being paid. The shortage of milk feared in Winnipeg may justify a higher price there but Eastern Canada fears nothing so much as the excessive supply of milk and the difficulty of securing enough outlets.

The situation causes conflict between municipalities in various parts of Canada. Municipalities around Toronto have threatened to prevent milk being delivered if taxes are not paid or if licenses or permits are not secured locally. Some of this has arisen because of the working out of health regulations of the bigger cities and their strict requirements for licensing. The smaller places say that they have the same rights as the larger. This has been smoothed out so far as Toronto and York county goes. Burlington summoned Hamilton's chief dairy companies to police court for ignoring the council's order to cease delivering milk on October 1. The matter is still in abeyance. Elsewhere similar unrest prevails but with some improvement latterly. There is not so large a visible surplus as with other agricultural products and therefore improved business may help it all the sooner.

Halifax Port Receives All-Water Grain Cargo

From Our Own Correspondent

MONTREAL.—The development of the all-water route from the head of the Great Lakes to Halifax received an impetus with the arrival at the Atlantic terminus of the S. S. Calgadoc with a full cargo of Western Canada grain. The shipment from Fort William and Port Arthur consisted of 90,000 bushels of oats and 12,000 bushels of wheat and was unloaded by means of the new marine tower at the rate of 8,000 bushels an hour.

While not the first shipment by the water route, it is the first full cargo to reach Halifax from the head of the lakes. The bulk of the consignment will be marketed locally and the balance is expected to be shipped to West Indian and Newfoundland destinations.

Hydro Securities Seeks to Purchase Own Stock

From Our Own Correspondent

MONTREAL.—Shareholders of Hydro-Electric Securities Corp. will meet November 8 to ratify a by-law by which the company will be enabled to purchase its own stock. The company is seeking permission to buy in its class "A" and class "B" preferred stock at prices not above par. The par value of the class "A" is $100 but none of the stock has yet been issued. There is $10,062,000 of class "B" preferred outstanding, of par value $10.

Neither of the stocks is listed on Canadian stock exchanges.

Western U. S. Pulp Firms Petition Tariff Protection

From Our Own Correspondent

MONTREAL. — Despatches from Washington state that 25 Washington and Oregon pulp and paper concerns through E. M. Mills, president of the Washington Pulp and Paper Corp., had petitioned President Hoover for higher tariffs on these products to "equalize disadvantages occasioned by foreign discrimination."

Mills presented a brief contending that duty should "equal the discriminating charge or the rate of currency depreciation" found in foreign countries.

The industry, he said, "is fast approaching extinction because of discriminating duties and of unequal and unfair competition from foreign countries."

HOLDING COMPANIES NEEDLESSLY BIG

U. S. Professor Criticizes Bleeding of Operating Units to Pay Dividends

Public utility holding companies today are too often needlessly gigantic financial organizations, and many such companies are larger than any economies of operating and financial management can justify, reports Professor M. H. Waterman of the School of Business Administration at the University of Michigan, in a study of the Bureau of Business Research. The study was begun in 1925.

Holding companies have been attacked recently because some of their policies have seemed dangerous to the public, but these practices are now proving to be unprofitable to the utilities themselves from the standpoint of sound management and such companies would benefit themselves by cleaning house without waiting for possible public action, states Professor Waterman.

Large companies of the future will not try to grow indefinitely because it has been shown that an efficient group of self supporting companies properly financed is always better off than great and variegated organizations where complicated security issues are necessary to finance the group, and, when sound operating companies are compelled to give up an excessive share of their own profits to support parent companies, fundamentally sound properties are weakened and security holders lose thereby. The "bleeding" and mortgaging of strong member concerns to finance new companies and achieve greater size has been a chief factor in weakening all.

Profits should be reinvested in the subsidiary companies with the object of strengthening the foundation of the holding company structure instead of being mortgaged in advance to pay dividends on the stock of an over-expanded "parent" company. When hard times come such a holding company group, reasonable in size, with genuine and not theoretical management economies, can usually withstand decreased earnings without serious distress, Professor Waterman's survey found. The giant groups, however, when faced with the task of managing and making going concerns out of good and bad utilities, often scattered widely and all having to earn to pay the debts of their over-expanded holding or parent companies, are almost sure to find themselves in deep water.

Within the industry there are plenty of good examples of sound holding company financing and therefore there is no excuse why future development should not follow along their lines, says Professor Waterman. The recent depression has been a severe test of utility holding companies and has served to separate the sheep from the goats. Many organizations will survive and prosper and their management methods should point the way to sound and reasonable procedure in the future.

SOUTHERN CANADA TERRITORY ACTIVE

Industrial Plants in Area Report Operations Busy

From Our Own Correspondent

MONTREAL.—Continued industrial activity in the Eastern Townships area served by Southern Canada Power Co. is reported in a quarterly statement issued to shareholders by the management.

In referring to specific instances of expansion, the letter says in part:

"At Granby, the Stedfast Rubber Co. are steadily increasing their output and taking supplementary floor space for the installation of additional equipment.

"At Cowansville, the W. F. Vilas have let a contract for the erection of a new building with the object of rearranging and enlarging the scope of their operations.

"At St. Hyacinthe, the Empire Clothing Co. are calling for tenders in connection with the construction of an addition to their plant to take care of increased business.

Drummondville Busy

"At Drummondville, all of the industries are very busy. Canadian Celanese are running every available piece of equipment night and day. Butterfly Hosiery are very busy. Dominion Silk Dyeing and Finishing Co. have recently received a large volume of goods for processing and finishing. The Eagle Pencil Company are installing additional machinery to make fountain pens and mechanical pencils, a new line for their Drummondville operations.

"The results of our merchandise sales have reflected general buying conditions prevalent during the past months but the ever increasing interest displayed in electrical appliances should result in an accelerated demand in the near future with accompanying increases in our total sales. Large number of prospects are available and every effort is being made to interest these prospective buyers.

"Looking to the future, the company continues to increase the capacity of its various systems. The distribution system in Lennoxville has been completely overhauled and its capacity greatly increased. Similar work has been performed on the Richmond system. The new transmission line and substation now under construction to supply Marieville is in service. This feature will eliminate expenses for purchased power as it will allow us to supply Marieville from our own system besides greatly increasing its capacity at this point."

Newfoundland Railway Reports $339,000 Deficit

Operating results of the Newfoundland Railway for the fiscal year ending June 30, 1932, show a total loss on all operations amounting to $339,000. Total earnings dropped from $3,187,157 to $2,309,086, a decrease of $878,071.

Expenses were reduced $1,248,000 as a result of strenuous efforts to meet the decline in traffic. Under the guidance of R. J. Magor, extensive economies were introduced and nonproductive branch lines, station buildings, and agencies were closed to bring the operations of the system more into line with earnings.

It is pointed out that the railway is Newfoundland's biggest employer of labor with an annual payment of nearly $2,000,000 to railroaders distributed to all parts of the country. In addition, the railway pays regular customs duty on its importations, in all amounting to over $100,000 per year. Over $300,000 is paid out annually to local business houses for supplies.

New Brunswick Pulpwood Cut Plans Are Indefinite

From Our Own Correspondent

MONTREAL.—Nothing of a definite character has yet been announced by Fraser Companies or the International Paper Co. in respect to the quantity of pulpwood to be cut in the New Brunswick area this season. Usually contracts are given out by the end of September.

The Madawaska Corp. is not expected to cut any logs and the Miller Co. does not plan more than 25 per cent of its normal quantity of between 12 and 15 million feet.

NEWSPRINT PAPER OUTPUT SEASONAL FOR PAST MONTH

September Supply and Demand Trend on 1926 Level

From Our Own Correspondent

MONTREAL.—Both production and shipments of Canadian newsprint paper continue to run below the 1926 level.

Between August and October there is usually a seasonal decline in consumption of newsprint paper, and the trend does not vary in 1932, judging by returns compiled by the Newsprint Service Bureau.

During the past month Canada produced 150,691 tons of newsprint. This compares with 157,919 tons in August and 178,412 tons in September of last year.

Canadian Exports Less

The preliminary report shows shipments from Canadian mills in September totalling 152,633 tons, as against 154,881 tons in August and 178,181 tons in September, 1931. For the first nine months of 1932, Canadian mills produced 1,451,168 tons. During the corresponding period of 1931, production amounted to 1,670,150 tons. The record nine months' production for all time took place in 1929, when output totalled 1,993,881 tons, so that production during the current January to September period ran about 540,000 tons less than in 1929, or roughly 25 per cent.

Cumulative shipments to the end of September, 1932, amounted to 1,453,937 tons, as against 1,654,622 tons, 1,869,293 tons and 1,980,682 tons for the corresponding periods of 1931, 1930 and 1929, respectively.

American Mills Slacker

Production of newsprint in United States mills last month amounted to 70,621 tons. This compares with 79,529 tons in August and 91,241 tons in September, 1931.

For the first nine months of the current year production in American mills totalled 771,060 tons, compared with 874,248 tons and 985,142 tons in the corresponding periods of 1931 and 1930 respectively.

Shipments from the United States mills last month aggregated 73,234 tons, as against 77,340 tons in August and 90,303 tons in September, 1931.

Between January and September, 1932, shipments in the United States totalled 770,670 tons, as against 872,621 tons for the same period in 1931 and 972,397 tons for the first nine months of 1930.

Stocks of newsprint at Canadian mills on October 1, totalled 48,062 tons, against 50,029 tons at the beginning of the preceding month and 50,451 tons on October 1, 1931. American mills held 33,095 tons on October 1, last, compared with 35,982 tons on September 1 and 33,317 tons at the beginning of October, 1931.

CANADA NORTHERN REPORTS GROWTH

Increased Mining Activity Adds to Output of Power

From Our Own Correspondent

MONTREAL.—Further progress in the development of Canada Northern Power Corp. is set forth in the quarterly report issued to shareholders by B. B. Harrison, vice-president and general manager.

During the last three months, the new 110,000 volt transmission line from Boischatel to Kirkland Lake, which is connected with the Quinze plant, has been completed and put in operation.

The report goes on to state:

"This brings the number of lines over which Kirkland Lake is served by our system up to five, of which two run from Cobalt Substation, carrying power from our Southern plants at Matabitchouan, Fountain Falls and Hound Chutes. Another line runs from Indian Chutes to Kirkland Lake, while the new line in addition to the original line from Boischatel bring the total serving Kirkland Lake up to the figure mentioned above.

"Conditions in the mining areas served by your company continue to be most satisfactory, the demand for gold providing the incentive for stepping up production on the part of the existing mines.

Producers Grow in Number

"In the Kirkland Lake district, the established mines are maintaining or increasing their output, and in some cases preparations are being made to enlarge the scope of operations. At the Toburn Mine, located to the east of the larger mines, the mill has been placed in operation, thereby adding another to the list of producers.

"There is no change in conditions in the Porcupine camp, the larger mines having settled down to a steady routine of production.

"During the past month the mill at Ashley Gold Mines being operated by Mining Corporation of Canada, was placed in operation. This marks the inauguration of another gold producing camp.

"In the Noranda-Rouyn area, considerable activity is in evidence, both in mining and building circles, while interesting accounts of promising new discoveries within a short distance from the proven area continue to attract attention.

"A notable feature of the business of the company is the pronounced increase in the number of domestic users served, our total number of customers having risen from 10,981 to 12,029 during the past twelve months."

Canada Northern Power Corp., subsidiary of Power Corp. of Canada, reports electrical output in July last of 35,908,170 k.w.h. as compared with 35,250,120 k.w.h. for the same month a year ago.

Accumulative returns for the 12 months ended July 31, 1932, show an output of 431,897,150 k.w.h. This compares with 397,812,080 k.w.h. for the preceding year, a gain of roughly 34,000,000 k.w.h.

Railway Rolling Stock Worth $68 Million Made

Railway rolling stock products made during 1931 included 5,176 freight cars valued at $15,186,898, 112 new passenger cars at $4,596,075, car wheels at $2,457,989, and 26 new locomotives at $1,897,493. The actual cost value of repair work done in these shops on railway cars and locomotives amounted to $26,622,287.

The total production in 1931 was valued at $67,865,070 as compared with $104,922,701 in 1930, $126,487,037 in 1929 and $73,422,057 in 1928. Prices, however, were higher in these years.

UNTREATED EASTERN
CEDAR POLES
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ALFRED E. COWLING
Scotstown Que.

Cockshutt Plow Sales Increase In September

From Our Own Correspondent

MONTREAL.—Sales of Cockshutt Plow Co. in September showed an increase over those of the same month last year due to increased activity in the west. Sales in Eastern Canada showed a decline which was more than offset by western gains. Collections compared favorably with those of the same month in 1931.

To date total sales and collections have been reasonably well maintained. In the west the improved crop situation has found reflection in the company's turnover in that territory but Eastern Canada has dropped below last year's levels.

Liquid position, it is stated, remains strong and bank loans during the next month are expected to be reduced considerably. At the end of 1931 loans totalled $1,409,218; at the end of September borrowings were below the figure at the same date last year.

Operations in the fiscal year ended November 30, 1931, resulted in a loss of $494,487 and payment of dividends, now suspended, resulted in a total deficit of $581,067. The company has no funded debt; sole securities outstanding comprise 288,600 shares of no par common stock.

Aug. Commercial Failures Higher Than in Aug., '31

Increase in the number of assignments under the Bankruptcy and Winding Up Acts, as reported to the Dominion Bureau of Statistics, was experienced in August, 1932, as compared with August, 1931, while the liabilities of the assignors also showed an increase. Commercial failures numbered 188 compared with 155 in the same month a year ago and 175 in July, 1932.

Liabilities of assignors totalled $2,825,097 as compared with $2,350,994 in August, 1931, and $2,986,840 in July, 1932. Both the largest number of failures, 86, and the greatest amount of liabilities, $1,319,427, were in Quebec. Ontario ranked next with 72 failures with liabilities of $1,003,993.

Trading establishments furnished the largest number of failures, 106 assigning in August, 1932, compared with 84 in July and 78 in August, 1931. Manufacturers to the number of 31 failed, agriculturists numbered 13, services 16, construction, 8, transportation 1 and finance 1.

Heavy Wheat Shipments Raise Sept. Canal Returns

Both the Welland canal and the St. Lawrence canals recorded greater tonnage in September compared with September, 1931, while the Sault Ste. Marie canals showed decreases. Welland canal traffic amounted to 811 vessels with 1,218,041 registered tonnage compared with 709 vessels grossing 978,679 tons in September a year ago, while the St. Lawrence canals recorded the passage of 1,369 vessels compared with 1,308 a year ago, the respective tonnages being 904,070 and 718,722.

Wheat was the heaviest commodity passing through all the canals, the totals being considerably greater than in September a year ago. Iron ore shipments were smaller through the Welland canal and those at Sault Ste. Marie, the decrease at the latter point being from 4,423,371 tons to 688,205 tons.

Dominion Coal Co. Output Off in September

From Our Own Correspondent

MONTREAL.—The three Springhill Collieries of the Dominion Coal Co. worked a total of only seven days each during the month of September for a production of 19,618 tons. This is the lowest monthly output from this point in recent years.

Output of the Glace Bay collieries of the same company for September again reached a new low level of production with only 155,299 tons mined, as compared with 206,741 tons in December of last year.

Dominion of Canada Bonds
To Yield 4.60-4.81%

Security	Rate %	*Price	Yield %
Dominion of Canada Service Loan 1941	5	103.00	4.60
Dominion of Canada Conversion 1958	5½-4½	99.25	4.64
Dominion of Canada Gtd. C.N.R. 1954	5	102.50	4.81

*Plus Accrued Interest.

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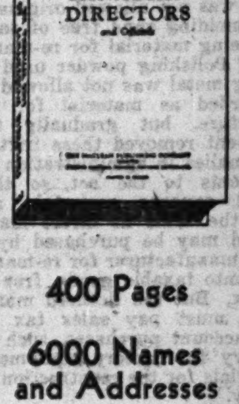
Changes Contemplated in Sask. Telephone Rates

Monthly billing of telephone accounts, instead of once in six months, equalized payments in cities and special night rates, all of which have been under consideration for months, are to be introduced soon in Saskatchewan, according to Hon. J. F. Bryant, minister of telephones for the province.

Equalizing rates in the cities will mean that subscribers located some distance from exchanges will pay less and those close in will pay slightly more.

"I have instructed the officials of the telephone department," said Mr. Bryant, "to equalize the rates in the cities by March next and to inaugurate a system of monthly billings which will be reflected in the rates by a slight increase, but being paid monthly will be easily taken care of. Conditions being apparently on the mend, night rates, which have been under consideration for nearly two years, will be introduced at the earliest possible moment."

Who's Who in Canadian Business
A List of the Big Men of Canada and the Companies they Direct



1933
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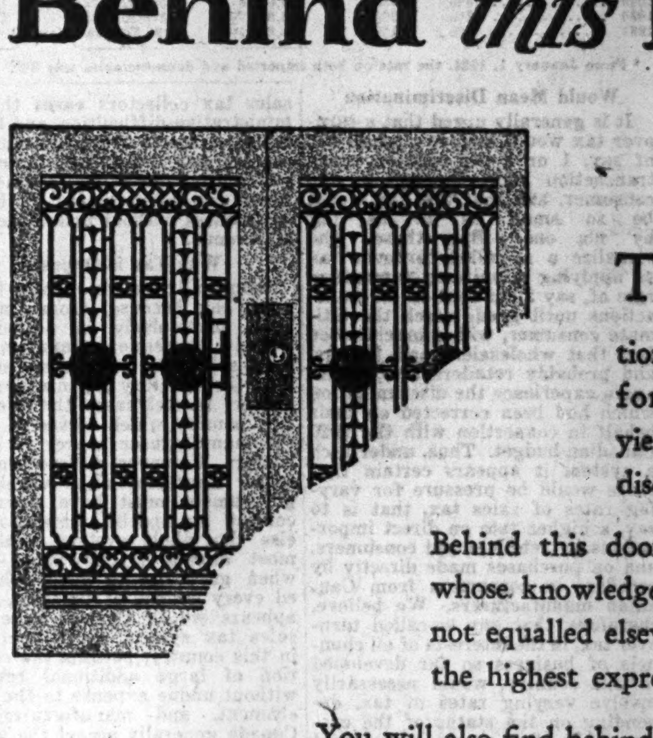

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News of Investment Markets

PROPOSE PLAN TO REORGANIZE PRINCE EDWARD

Bondholders of Windsor Hotel Would Receive Income Bonds

HAVE VOTING TRUST

Common Stock Eliminated—Creditors Get New Preferred; Old Preferred Get New Common

Early reorganization of capital structure is in prospect for the Prince Edward Hotel Co., of Windsor, Ltd., which defaulted in bond interest, due March 1, 1932. While details are not as yet entirely completed bondholders will be advised at an early date of a proposal whereby new sinking fund bonds would be issued bearing a lower interest rate, certain ordinary creditors would receive new preferred stock and present preferred shareholders would receive new common stock. Under this plan the present common stock interest would be wiped out.

During the current year the company is showing a small surplus after payment of taxes but before provision for depreciation and bond interest. Tourist traffic has been negligible. It is stated that trade creditors of the hotel have been paid regularly and that there is no accumulation of trade accounts. Business would be carried on as usual by the present management during and after the proposed reorganization. Prospects are not bright for 1933 but it is believed that given any improvement in general business conditions earnings should be substantially better. The National Trust Co. acting as trustee for the bondholders, has been closely in touch with the operation of the hotel as well as the plan for reorganization.

To Issue Income Bonds

There is at present, $715,000 of 7½ per cent first mortgage bonds outstanding which mature serially up to 1941. Bondholders, it is understood, will be asked to consent to elimination of serial payments, a reduced rate of interest, the placing of sinking fund and interest payments on an income basis and the payment of principal and interest in Canadian funds rather than in United States funds. It is proposed to form a new company which would take over the present company and present bondholders would receive 105 per cent par value of their present bonds in new bonds dated September 1, 1932, and maturing September 1, 1947. These bonds would be fully registered income bonds for the first five years during which period these new income bonds would carry cumulative interest of 5 per cent, payable if earned and thereafter the bonds would carry interest rate of 6 per cent. Of the net income of the hotel, 25 per cent would be set aside as a sinking fund for the bonds.

The Prince Edward Hotel Co. has $895,400 of $100 par value 7 per cent preferred stock outstanding and 8,950 shares of no par value common, both classes having voting power. A substantial part of the common stock is owned by the United Hotels Co. which also has a management contract with the present company. It is proposed that the present preferred shares would be exchanged for an equal number of common shares of the new company but that a voting trust would be established to ensure control remaining in the hands of the bondholders until the bonds are retired.

Creditors Get Preferred

Certain ordinary creditors of the present company, including the bank and United Hotels Co., have brought suit against the Prince Edward Hotel Co. and have obtained a judgment. These creditors will receive preferred stock of the proposed company, according to their claims against the present company. The new preferred stock would carry a dividend of 6 per cent per year, cumulative from September 1, 1932. The new preferred stock would be redeemable. Scrip dividend certificates amounting to $403,570 given in lieu of preferred dividends on the preferred stock of Border Cities Hotel Co. up to December 31, 1928, will be wiped out. Arrears of interest on the bonds is being funded by giving an additional 5 per cent of face value of the bonds now outstanding.

Originally financed in 1921 as the Border Cities Hotel Co. which issued $850,000 of 7½ per cent serial bonds, the Prince Edward Hotel Co. of Windsor, Ltd. is the result of a reorganization effected in 1929. While the name of the company was changed at that time there was little change in the capital structure except that preferred shares were given voting rights and the common stock was reduced from $100 to no par value. None of the old common stock was sold when issued but was given as a bonus with the preferred stock and did not represent actual money for the company. A substantial amount of the preferred stock is held in Windsor and Detroit.

Earnings of the Prince Edward Hotel in 1931 and 1930 were not sufficient to cover bond interest charges after provision for depreciation but in 1929 the hotel had net earnings of $78,604 available for bond interest after provision of $70,160 for depreciation.

Strong Group Ready to Buy B. A. Oil 6 p. c. Debentures

Shareholders Asked to Ratify Enabling Bylaw on October 31—Consolidating Large Capital Expenditures Which Increased Earning Power

Shareholders of British American Oil Co. have been officially notified of a special meeting on October 31, 1932, to consider the passing of a by-law authorizing the directors to create and issue 6 per cent convertible gold debentures of an aggregate par value of $5,000,000. A strong Canadian group stands ready to finance the new issue which will rank equally with $4,792,500 of 5 per cent debentures still outstanding of a total issue of $5,000,000 made early in 1930. Both issues will mature on the same date, March 1, 1945. The price arranged tentatively is understood to be satisfactory to the company.

The conversion feature of the new issue will be on a basis to be announced later. The 5 per cent debentures are convertible into common stock on the basis of $27.50 a share up to July 1, 1934, $30 to July 1, 1936, $32.50 to July 1, 1938, $35 to July 1, 1939, $37.50 to July 1, 1940, and $40 thereafter to maturity. The common stock had a high of 23 in 1930 so that the conversion privilege appeared a valuable one on the basis of stock market valuations of that time. The stock had its highest point in 1932 at 11½ which shows a yield of nearly 7 per cent on the present dividend of 80 cents a share while the company's relative operating position is stronger than in 1930. The convertible feature, when the basis is announced, will therefore win immediate attention.

Will Capitalize Expenditures

The proceeds of the new issue will be used to capitalize the expenditures made in 1931 and 1932 in connection with the new refinery at Montreal, Quebec, the purchase of oil tankers for the movement of crude oil and finished products, the establishment of bulk storage plants at various lake and river ports and other corporate purposes.

In addition to the oil tankers purchased in 1931, the company acquired in England in 1932 two tankers to be used for the transportation of crude oil from Montreal to the Toronto refinery. Due to the acquisition of these ships a substantial saving in freight rates over rail transportation has been effected, resulting in substantial benefits to profit and loss account.

"Such extensive capital expenditures, which contribute substantially to increased earning power, would naturally be capitalized in the ordinary course of events," says the official statement. "At this juncture, however, the management consider that paying off of obligations, other than those to the public, is in the best interests of shareholders."

Earnings Are High

The company has the right under its covenant given in connection with the former issue to issue further debentures. The covenant given was that net tangible assets including proceeds of new debentures, should be equal to two and a half times total debentures outstanding and that net current assets should be about 80 per cent of total debentures issued. Judging by the last balance sheet as of December 31, 1931, more than $5,000,000 could be issued under this covenant. The new debentures are to be secured equally and rateably with present debenture issue by reason of this covenant. Old debenture interest was earned 13.41 times after depreciation so that a further requirement under the old issue that net earnings for preceding year should be equal to five times interest on debentures is also met amply.

Working Capital Ample

The balance sheet of the company at the end of 1931, showed total assets of $30,483,772. This was made up of $14,882,088 fixed assets (less reserve for depreciation), $2,314,125 crude oil leases and goodwill, $608,398 mortgages receivable, $3,329,546 investments in and advances to associated and other companies, $1,037,569 cash, $3,020,409 accounts and bills receivable, $5,147,615 inventories and $144,020 deferred charges, etc.

The current assets of $9,205,594 included in the above statement were subject to current liabilities of $6,378,136 as follows: bank loan $3,750,000; accounts payable $1,721,733; accrued debenture interest $79,875; Federal income tax reserve $302,000; dividend payable $524,528. There were as well outstanding debentures of $4,792,500, mortgages payable of $54,546.

Did Well in U. S.

It is conservative to include the item of $2,314,125 for crude oil leases and goodwill among the available assets in view of a note to the 1930 balance sheet to the effect that an appraisal of properties at depreciated values at the end of 1929 indicated that this item could be wiped out and a very large amount left in reserve. The earnings of these properties were $500,000 in 1930 and in 1931 interests acquired in East Texas were paid for to the extent of $800,000 from earnings of United States subsidiaries. These earnings were not included in the company's 1930 or 1931 earnings statements. There has been almost a total cessation of industrial bond and debenture offerings in 1932. The nearest approach to this type of financing was by the C. P. R. which sold last March and in September on a 6 per cent yield basis and by Shawinigan which sold last February on a 6½ per cent basis. The intervening period was until July and August a desert so far as possibility of financing was concerned. C. P. R. debentures in September sold at a 5.81 per cent basis. It is significant to note at this time that this is the first important industrial financing attempted by any Canadian company during the last 2 years. More than ordinary importance therefore attaches to it as a sign of returning confidence.

North Bay Collects Good Part of Taxes

With taxes payable in five installments North Bay has collected 53.4 per cent of the 1932 levy at July 1 the end of the first three payment dates which provided for a payment of 55 per cent of the levy leaving 1.6 per cent of the 1932 levy in arrears. At October 15, 69.6 per cent of the 1932 levy was paid with another installment date yet to come.

North Bay with a population of 16,236 has a net debenture debt of $2,513,464 or $154 per capita. In the past three fiscal years, the city has balanced its budget and shown a surplus which amounted to $15,511 in 1931. The assessed value for taxation is $9,948,267 and with a tax rate of 59.5 mills for public schools, and 62.5 mills for separate schools. The tax roll is $660,000. Accumulated tax arrears at August 29, 1932, amounted to only $56,648 or $3.49 per capita. In 1932, it is stated that employment relief will not cost the city more than $15,000. Bonds of the city carrying a 6 per cent coupon rate and maturing from 1937 to 1962 are being currently offered by McLeod, Young, Weir & Co. at par, to yield 6 per cent.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Northern Electric	*5%	1939	Dec. 1	105
Dominion Glass	*6%	1933	Dec. 2	110
Int. Pwr. Secs. 'B'	6½%	1954	Dec. 1	104

*Called in part.

Lake of the Woods Position Improved

From Our Own Correspondent

MONTREAL. — An improved situation in Lake of the Woods Milling Co. is expected to be revealed in the company's financial statement to be published next week. Though earnings are still unsatisfactory the position of the company has been strengthened; in the previous fiscal period ended August 31, 1931, operations resulted in a loss of $935,468.

The company's baking subsidiaries are feeling the effects of keen competition. Dividends on the common stock of Inter City Baking Co., control of which is held by Lake of the Woods, were suspended in August. Inter City Western Bakeries, a subsidiary operating in the west, has been hampered in its progress by business conditions in the territory served.

Bird & Talling Announce Removal to New Offices

Bird & Talling Ltd., dealers in government, municipal and corporation bonds, announced their removal to larger offices at 829 West Pender St., Vancouver, B.C. Offices were formerly maintained in the Stock Exchange Building. Announcement is also made that Ernest F. Gunther will be manager of the newly formed insurance department.

Principals of the firm are H. J. Bird, for eight years associated with Royal Financial Corp.; J. H. Talling who has been connected with the bond business for the past 15 years; and George A. Henley, manager of the institutional department who was formerly in the bond business in Edmonton, Alta.

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year End	Net Income 1932 $	Net Income 1931 $	Common earnings 1932 $	Common earnings 1931 $	Curr. divid. $	Balance car. fwd. $ 1932	Balance car. fwd. $ 1931	Mkt.	Mkt. times earn.	% Yield
St. Lawrence Flour	Aug. 31	68,990	65,787	2.40	2.12	...	398,586	369,846	30	12.5	...
Ogilvie Flour Mills	Aug. 31	744,987	755,149	8.06	8.20	8.00	3,177,235	3,172,235	130	16.1	6.15

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	—Sold To—	Rate	Maturity	Amount	Price	Basis
Brandon, Man.	Sept.	Locally	6½%	....	$18,000	....	....
Petrolia, Ont.	Sept.	C. H. Burgess & Co.	5½%	10-ins.	12,170	96	....
			5½%	15-ins.	5,077		
Regina, Sask.	Sept.	City's Sinking Fund	6½%	15-yr.	142,700	....	....
Orillia, Ont.	Sept.	McNamara Construction Co.	5%	15-ins.	1,825	95	....
			5%	30-ins.	4,100		
Sudbury, Ont.	Sept.	Harris, MacKeen & Co.	6%	30-ins.	49,377	....	....
Fredericton, N.B.	Sept.	Royal Securities Corp.	5%	20-yr.	20,000	....	....
Quebec City	Sept.	Over the Counter	5%	5-yr.	624,600	100	5%
Ancaster, Twp. of	Oct.	Harris, MacKeen & Co.	6%	30-ins.	47,843	107.61	5.33%
Bath, Ont., Village of	Oct.	R. A. Daly & Co.	5½%	20-ins.	7,500	....	....
Niagara Parks Comm. (Ontario Guarantee)	Oct.	Dominion Securities	4½%	5-yr.	200,000	99.67	4.57%
St. Catharines	Oct.	Punchard, Lynch & Co.	6%	10-yr. ser.	26,336	100.43	5.20%
			5%	10 yr. ser.	69,500		

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Due	Amount	Offered	Yield
Frontenac Brick Co.	Sept.	Shareholders	6%	10-yr.	$80,000	....	....

BELIEF PERSISTS THAT GOVERNMENT SUPPORTS WHEAT

World Shipments Lower, But Canada Maintains Lion's Share

From Our Own Correspondent

WINNIPEG. — Although the wheat market has been holding at practically a uniform level during the past week, there are some features which deserve notice.

One is the insistent belief on the part of traders, both in Winnipeg and abroad, that there has been steady buying on account of the Dominion Government, for the purpose of preventing further decline. So far as the expression of prices in Canadian money is concerned, this would have been, in the absence of other forces, a natural concomitant in the rise of Canadian dollar, in comparison with the gold or United States basis.

Spread Narrows

At the present price range a rise of two cents in that value would roughly be the equivalent of a decline of a cent a bushel in Canadian prices. The fact that United States prices have recently fallen to some extent would, through sympathetic reflection, be something of a bearish factor in the Canadian situation, but not necessarily to an important extent, because in spite of that decline, United States prices are still held above Canadian, and consequently above world levels, which would permit any substantial volume of commercial exports.

As the margin between United States prices and our own narrows, there is a possible danger from artificial interference that their wheat surplus will be brought suddenly into the export picture. And as harvest time approaches in the southern hemisphere, there appears to be some danger of encouraging forward commitments of wheat of these countries, should our price level indicate any reluctance on the part of this country to continue large scale selling.

World Shipments Down

World shipments have been dropped somewhat, but Canada continues to supply well over half of these, the balance being divided between various other countries. While Russia continues to ship small quantities, latest advices indicate not only that these are likely soon to dry up, but that an actual shortage of wheat for internal use may develop in Russia, which, if that country's commercial conditions would permit, might well result in Russia importing wheat.

In France there has lately been a precipitate decline in prices, which confirms the idea that French production this year, taken along with that of French African possessions, actually exceeds her own needs, so that any imports for mixing purposes will have to be balanced by equivalent exports. Doubts are expressed whether French farmers will be willing to continue sowing wheat at the rate which was attained because of high prices which were maintained with the assistance of duties during recent years.

China Business Grows

Canada is doing some, but not yet any great amount, of business with China. Uncertainty as to whether or not the United States Government will extend credit facilities to cover the projected export of fifteen million bushels from that country to China is said to be causing hesitation among Oriental millers as to future commitments. At the moment Australian wheat is not being pressed upon the Oriental market, as the small supply left is keeping prices above the Canadian parity.

Increasing attention is being given to weather conditions in Austradia and the Argentine, and to the possibility of grasshopper damage in the latter country. While some reports have been unfavorable as yet there appears no reason for belief that either country will fall short of an average crop.

Reports of stocks on hand show the U. S. wheat has largely disappeared from elevators in Eastern Canada where many millions of bushels were stored up to a short time ago.

Bond Sales

TOWNSHIP OF ANCASTER, ONT.

Harris, MacKeen & Co. has been awarded $47,843 6 per cent 30-installment debentures of the Township of Ancaster, Ont. at 107.61, a cost basis to the township of 5.33 per cent. Bids for the issue were as follows:

1	Harris, MacKeen & Co.	107.61
2	Bell, Gouinlock & Co.	107.412
3	Citizens Bond Corp.	107.31
4	Gairdner & Co.	107.172
5	Milner, Ross Securities Corp.	107.066
6	H. R. Bain & Co.	106.93
7	Dyment, Anderson & Co.	106.58
8	A. E. Ames & Co.	106.21
9	R. A. Daly & Co.	106.11
10	J. L. Graham & Co.	105.11
11	J. S. Forgie & Co.	105.03
12	C. H. Burgess & Co.	104.61
13	Dominion Securities Corp.	104.279
14	McLeod, Young, Weir & Co.	103.15
15	Griffis, Fairclough & Norsworthy	102.78

VILLAGE OF BATH, ONT.

R. A. Daly & Co. has purchased privately an issue of $7,500 5½ per cent 20-installment debentures of the Village of Bath, Ont.; price is not disclosed. This issue constitutes the only funded indebtedness of the village and is made to cover cost of securing Ontario Hydro-Electric Power Commission facilities.

St. Catharines, Ont.

Rogers, Punchard, Lynch & Co. has been awarded $95,836 10-year serial debentures of the City of St. Catharines, Ont. at 100.43; a cost basis to the city of 5.20 per cent. Of the total $26,336 carries a 6 per cent coupon and $69,500 carries a 5 per cent coupon. Bids for the issue are reported as follows:

1	Rogers, Punchard, Lynch & Co.	100.43
2	Dominion Securities Corp.	100.219
3	Harris, Mackeen & Co.	100.15
4	H. R. Bain & Co.	100.07
5	Wood, Gundy & Co.	99.87
6	Bell, Gouinlock & Co.	99.69
7	Cochrane, Murray & Co.	99.554
8	Hanson Bros.	99.48
9	Dyment, Anderson & Co.	99.446
10	Harrison & Co.	99.27
11	C. H. Burgess & Co.	99.25
12	Matthews & Co.	99.069
13	R. A. Daly & Co.	99.03
14	Royal Securities Corp.	99.01
15	Forgie & Co.	98.90
16	J. L. Graham & Co.	98.84
17	A. E. Ames & Co.	98.80
18	Fry, Mills, Spence & Co.	98.57

Niagara Parks Commission, Ontario Guaranteed

Dominion Securities Corp. and Imperial Bank have been awarded $200,000 4½ per cent 5-year debentures of the Niagara Parks Commission, carrying the guarantee of the Province of Ontario, at 99.67, a cost basis to the commission of 4.57 per cent. Bids for the issue were as follows:

1	Dominion Securities Corp., Imperial Bank	99.67
2	F. W. Kerr & Co.	99.25
3	A. E. Ames & Co.	99.05
4	McLeod, Young, Weir & Co.	99.03
5	Canadian Bank of Commerce	98.97
6	Griffis, Fairclough & Norsworthy, Cochrane, Murray & Co., and Dyment, Anderson & Co.	98.653
7	Wood, Gundy & Co.	98.637
8	Hanson Bros.	97.91

Norris-Patterson Opens New Offices

R. A. HUTCHISON

P. N. WOODLEY

Norris-Patterson Limited, advertising agency, Toronto, has opened new offices in Vancouver and Saint John. This advertising agency has branch offices now in Montreal, Saint John, Edmonton and Vancouver.

The new Vancouver branch will be managed by R. A. Hutchison, who has had some twenty years active advertising experience in the West and British Columbia. He will be assisted by W. D. M. Patterson.

P. N. Woodley is in charge of the Saint John branch. He has had many years experience in advertising work and is familiar with conditions in the Maritime Provinces.

BRADSHAW GIVES PROGRESS MADE IN BORDER CITIES

First Report Summarizes Work in Seven Defaulting Municipalities

The first official report on the progress made by the boards of supervisors of the seven defaulting municipalities in the Border Cities group of Ontario was recently made by Thomas Bradshaw, who is acting as chairman of each of the boards. Surveys are to be started in each of the municipalities to determine the basis for the 1933 budget which will be effective at January 1 and not several months after the start of the year as has been the practice in the past. The seven municipalities affected are Riverside, East Windsor, Sandwich, Sandwich West, Sandwich East, La Salle and Tecumseh. Windsor and Walkerville are not in default although Windsor is attempting to make an arrangement with bondholders at an early date.

Mr. Bradshaw indicates that tax collections have been better but that there still remains a substantial amount of arrears and that unless these arrears are paid the various municipalities may have to take title to the properties affected. Mr. Bradshaw's statement, issued on October 15, as follows:

"The committee of supervisors for East Windsor, LaSalle, Riverside, Sandwich East, Sandwich West and Tecumseh held their regular meetings independently on October 14 and 15.

"The five supervisors for each one of the municipalities were present as well as their respective mayors, clerks and treasurers.

"A careful review and investigation took place in respect to the payment of current taxes for 1932 and the payment of arrears of taxes for previous years As a result of the special notice sent to all taxpayers in arrears, important amounts have been received by each one of the municipalities, notwithstanding that the notices had only been received by those in arrears for a comparatively short period of time. The special allowances agreed to be made to those in arrears proved to be popular and acceptable to a considerable number, while the convenient payment for installments spread over a period of six months has made it possible for many who found it difficult to make payment in full to meet arrears and place their properties in a secure position.

May Take Title

"In those cases in which no response whatever is made to the generous terms, the only alternative which the municipalities referred to can take is to register title to the properties, which would, in the event of failure to redeem thereafter, revert absolutely to the municipality. This is the last thing which any of the municipalities desire, but it is the only course that can be pursued in order to determine the properties which are capable of paying taxes.

"One of the difficult positions which the municipalities find themselves in is the large part of the assessment upon which taxes have not been paid for several years. In the past, the rate has been levied on all such lands as well as on properties upon which taxes have been paid, but the falsity of the continuance of this method will be at once apparent when it is realized that in many of the municipalities, taxes levied have only resulted in the payment of taxes of approximately 30 to 40 per cent.

"Much consideration was given to the outstanding liabilities of each one of the municipalities. They constitute heavy debenture indebtedness as well as outstanding property and other claims, claims of contractors, debts due to Hydro-Electric Railway Corporations, the Essex Border Utilities Commission, inter-municipal indebtedness, debts due to the county for county rates, etc. It has taken a considerable time to endeavor to secure all of the outstanding debts; but it is believed that they have been practically all lodged with the municipalities and that it will not now take very long until the exact liabilities of the municipalities are known.

Expenses Checked

"There has been very hearty cooperation on the part of the municipalities and the committee of supervisors in the various matters which are constantly engaging the attention of the supervisors. There is now almost an entire absence of friction, but a spirit of desire to help in the unravelling of the difficult problems is in evidence on all hands, and this is most helpful in re-establishing confidence in the municipalities.

"Many new and important principles in dealing with the affairs of the municipality have developed and without doubt there will result from these experiences a very much better municipal administration and a more exact understanding of the responsibilities by those in charge of municipal undertakings.

"One of the outstanding and most satisfactory things which developed throughout the various sessions was the working out of the expenditures which were established when the supervisors assumed office. Every item of expense is carefully gone over by the supervisors in conjunction with the officers of the municipalities and a comparison made with the amount estimated to be spent for the period. In most instances, the budgets have not been exceeded and it is expected that in practically every municipality there will be no over-expenditures at December 31.

Budget For 1933

"It is proposed to commence at once a survey of the operations of each one of the municipalities to determine the basis of the budget for 1933. Heretofore this has not been done by the municipalities until some time passed in the new year. The supervisors have laid down the principle that the budgets for the new year shall be prepared and made effective at the opening of the new year and in this way it will be possible to control expenditures from January 1 to December 31, instead of from about the middle of the year to December 31.

"The experiences of the past six months will undoubtedly prove most valuable in setting up the new budgets, not only for the municipalities but for all the school boards and the other boards which form part of the municipalities' undertakings."

Insurance Can Restore Confidence in Bonds

The necessity of a rehabilitation of public confidence in bond issues and the power which life insurance companies can wield in this regard, was stressed by G. D. Finlayson, federal superintendent of insurance in speaking recently to the American Life Convention at Toronto. He said in part:

"There is a demand on the part of the public that something be done to restore the word 'bond' to the pedestal of dignity from which it has been removed. You may ask why I discuss this subject with you when you do not issue bonds. It is because you are the purchaser of securities. Therefore, you have it within your power to work the necessary reforms. Once the issuers and vendors of bonds sense the higher standards imposed by purchasers we will accomplish what we have in mind and I am sure that the old pure standards of bond investors will be restored."

WEST. CAN. FLOUR EARNINGS ARE UP POSITION BETTER

Trenched on Surplus for Depreciation Write-Off and Dividend

Western Canada Flour Mills Co. annual statement for the year ended August 31, 1932, reflects the extraordinary difficulties of that year. Preferred dividends of $156,845 were met out of current net earnings to the extent of $136,885 before depreciation and the remaining $19,960 paid and write-off for depreciation of $127,169 were covered by transferring $127,168 from general reserve. Accumulated surplus dropped from $828,317 to $808,357 in the course of the year.

Consolidated Income and Surplus Account Years Ended August 31

	1932 $	1931 $
Net profit†	264,053	*175,431
Less: Deprec. & bad d.	127,168	......
	136,885	†175,431
Less appropriations:		
Dividends	156,845	252,249
Deficit for year	19,960	76,818
Add: Prev. surplus	828,317	905,135
Balance forward	808,357	828,317

*After reserves for depreciation, income taxes, bad debts and bills receivable.

†Including transfer from general reserve.

Working Capital Lower

Working capital is down from $1,467,937 to $902,344. Current assets of $1,926,074 were 1.88 times current liabilities of $1,023,730 as compared with the situation a year earlier when current assets of $2,347,202 were 2.67 times current liabilities of $879,265.

In the course of the year cash fell from $108,578 to $71,933, accounts and bills receivable from $980,397 to $607,988 and inventories from $1,258,227 to $1,246,164. A bank loan of $266,000 was incurred during the year but accounts payable dropped from $840,054 to $757,730.

Contingent liabilities decreased slightly during the year. Customers paper under discount fell from $1,296,961 to $1,065,772, and there is a reserve of $222,533 for contingencies, doubtful accounts and income tax. Another contingent liability is the company's guarantee of loan to Purity Baking Co., Ltd. $1,692,500. This loan was for $1,457,000 in 1930, $700,000 in 1929 and it did not appear in previous balance sheets.

Real estate, buildings, plant and equipment, less depreciation, are shown at $5,435,091, down $113,000. Other investments, including investments in affiliated companies went up from $926,396 to $1,344,030. Property reserve dropped from $1,313,912 to $1,277,582 and general reserve from $988,484 to $711,316. Pension fund reserve still stands at $50,000.

Working Capital

	1932 $	1931 $
Current assets	1,926,085	2,347,202
Current liabilities	1,062,941	879,265
Working capital	863,144	1,467,937
Ratio	1.81—1	2.67—1

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DOMINION SHOWS LARGE DEFICIT FOR SIX MONTHS

Increase Probable in Last Half Due to Relief Costs

Revenues and expenditures of the Federal Government issued for the six months ended September 30 indicate a deficit for the period of $76,827,420. With revenue from income tax substantially down in the last half of the year and the probability of a substantial increase in relief expenditures it is regarded as highly probable that the deficit in the last six months of the fiscal year which ends March 31, 1933, will be still larger.

Current revenues in the first six months totalled $177,564,570. Of this amount $51,596,725 was income tax largely collected in the first quarter. Excise taxes totalled $39,639,051; customs import duty $37,898,939 and excise duty $21,556,627. Post office revenues were $14,699,468. During August the Dominion received $30,000,000 from the sale of an issue of one year notes, which is not included in current revenue.

Relief Cost $18,600,000

Current expenditures totalled $173,256,279 of which interest on public debt of $60,013,080 and pensions of $27,125,680 compose over half. Current revenues slightly exceed current expenditures in the six months period but there are other substantial items not included in current expenditures which make a deficit for the period. Among these is the amount of $18,600,930 paid out for unemployment and farm relief, $58,343,959 in loans and advances to the provinces, the C. N. R., etc. and another item, redemption of debt amounts to $4,190,822. Some of these items may be repaid to the Federal treasury. Capital expenditure and nonactive loans totalled $6,856,200.

Under loans and advances, the provincial governments received $16,365,251 under the Relief Act. The temporary loans to the Canadian National Railways totalled $39,195,751 of which $12,687,500 was made in the first quarter and $26,508,251 in the last quarter. Due to the new form of statement, comparative figures for 1931 are not available.

OUTPUT OF GYPSUM DROPS 50 PER CENT

First Seven Months Figures Show Sharp Decline from 1931

From Our Own Correspondent

MONTREAL.—A decline of 50 per cent is revealed in figures covering output of gypsum in the first seven months of the current year. Up to July 31 production totalled 217,019 tons compared with 433,875 tons in the first seven months of last year. The decline is reflected in operations and sales of Gypsum, Lime, Alabastine, Canada, one of the largest factors in the industry in Canada.

Bond Tenders

Village of Ripley—$4,600, 5 per cent installment debentures, maturing Dec. 15, 1932 to 1938. Price par and accrued interest. E. F. Martyn, clerk, or D. Munn, reeve. (See announcement on page 8).

Village of Stirling—$18,400, 6 per cent 30-year waterworks debentures. G. H. Luery, clerk. (See announcement on page 8).

5 p.m., Oct. 31, Corporation of Victoriaville—$63,000, 5½ per cent bonds dated Nov. 1, 1932, redeemable serially from Nov. 1, 1933 to Nov. 1, 1952. W. Fortier, sec.-treas.

Oct. 24, 4 p.m., Kitchener, Ont.—$174,733 of which $62,748 bears 6 per cent and matures in 10 installments and $111,984 bears 5½ per cent coupon and matures in approximately 20 installments. Debentures are dated September 1, 1932. The issue is to finance works done for unemployment relief. W. W. Foot, city treas.

REGENT KNITTING PLANS TO EXTEND BOND MATURITY

Security Holders Will Meet to Consider Conversion Proposal

From Our Own Correspondent

MONTREAL.—Bondholders of The Regent Knitting Mills will meet November 7 to discuss certain modifications of the trust deed surrounding the issue of 6½ per cent first mortgage bonds of which there were outstanding $391,800 at the end of 1931.

The present issue matures serially from 1926 to 1935 and bondholders will be asked to postpone the maturity of all bonds now outstanding until September 1, 1942; interest in the meantime being paid at the same rate as at present, namely 6½ per cent. It is proposed to attach additional semiannual interest coupons to the bonds.

Create Sinking Fund

It is also planned to create a sinking fund and for that purpose the company will deposit with the trustee beginning September 1, 1934, and thereafter annually until September, 1941, the sum of $10,000. The company shall be in default if it fails to make the sinking fund payment within a period of 90 days after the regular date.

If the proposal be ratified bonds will be presented to the trustee before February 1, 1933, so that additional interest coupons may be attached to them.

Mills Are Busy

Officials view the plan as constructive. It is pointed out that mills are now going through their most active period; several divisions are working overtime and some on 24-hour shifts. Conditions, it is stated, have improved and while turnover is practically the same as last year, the company expects to break even in 1932. An improvement in commodity prices, together with the betterment in manufacturing facilities, is expected to work in favor of the company.

Page Hersey
We have prepared an interesting analysis on the affairs of this Company.
A copy will be mailed upon request.
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TORONTO, OCT. 22, 1932

PLENTY OF GOOD ADVICE GONE TO WASTE

A CYNICAL observer would revel in Canadian indifference to advice obtained at high cost. Consider some of the advice given to Canada by Sir Henry Drayton, William M. Acworth and A. H. Smith in the railway report of 1917. The two first named, in their majority report, told us:

"The mileage of Canadian railways is very great in proportion to the population of the country."

That did not prevent us from building many thousands of miles of additional and unnecessary railway lines, in order that the Royal Commission of 1932 could say:

"It is imperative that conditions be imposed that will make impossible a repetition of the rivalry in the extension of railway mileage that marked the period from 1923 to 1931."

The Drayton Acworth report said:

"We recommend that the . . . railways be operated as one united system . . . under their own politically undisturbed management."

Yet in 1932 the new commission still says:

"The conduct of the National Railway has been subjected in the past to political and public pressure."

The Duff Commission recommends control by a group of non-political trustees, a type of control not unsimilar to that recommended by the former commission.

In 1917 Drayton and Acworth said:

"We recommend that the question of highway improvement and motor haulage be taken into consideration."

In 1932 the Duff Commission says:

"The railways themselves should be empowered to provide and operate services of road vehicles . . . In our view the true function of road transport . . . as auxiliary and complementary to the steam railways would appear."

Said Drayton and Acworth:

"We recommend that future expenditures on the Hudson Bay Railway be reduced to the lowest possible amount."

In the Duff report appears a map showing the Hudson Bay Railway as having traffic density insufficient to support its cost.

Many similar references from the two reports should be quoted. Canada did not adopt a great deal of the good advice in the Drayton-Acworth report. Possibly it was not a desire to evade the medicine but an inability to select from a mass of recommendations those that would turn out to be sound. Certainly we adopted some of the recommendations in the Drayton-Acworth report. But unfortunately we seem to have selected the various items of wrong advice of which there was plenty in the previous report.

It may be that mixed in with good advice in the Duff report there is some bad advice too.

FOURTH MILESTONE

THERE have been four great milestones on the highway of Canadian fiscal policy.

First was the action of Peel in 1842 of giving to all colonial legislatures the power to frame their own tariffs. The full effect of this abandonment of the colonial system was not realized at the time and it required courage and persistence on the part of Canadian statesmen to gain recognition of the new autonomy.

Second was the National Policy of Sir John A. Macdonald, in 1878, which laid the foundations for all subsequent Conservative or Liberal tariffs and which ended for all time the prospect of "commercial union" with the United States. Here again it was not realized at the time that a permanent, continuing policy was being established.

Third marked advance in Canadian tariff policy came in 1897 when Laurier and Fielding extended to the United Kingdom the benefits of a special preference under the Canadian tariff. It was the hope and desire of both these Liberal leaders that the preference would bring a similar response from the Old Country although in a moment of Imperial enthusiasm Sir Wilfrid denied that such a thought was in his mind. In any event, free trade England, rejecting the Chamberlain 1902 conception of a tariff-bound Empire, could not respond fiscally. Whatever was the original conception of Imperial preference in Canada it lost much of its fundamental purpose in subsequent years as Liberal finance ministers used it as a device for lowering the tariff while still holding nominally to the National Policy.

The fourth milestone has now been passed. Canada, in common with all the great countries of the Empire, has adopted the principle of Imperial preferences based upon mutually satisfying, bi-lateral bargains. Canada retains all of the advantages gained in the three previous developments—autonomy in tariff making, protection for home industry, and Empire preference. But she has now, for the first time, consolidated all three planks in her policy into an Imperial platform that may profoundly influence world affairs in the coming century.

It may be that the 1932 brand of Imperial Preference conceals possibilities for good or evil that we cannot now envision. The social and economic value of a united Empire are easy to grasp. But the new policy may prove utterly unworkable. The Empire countries may find that instead of creating new commerce they are trying to trade across the grain of international commerce. It may be that we have a higher opinion of the loyalty and ability and vision of Empire statesmen than time will prove them to possess. The next 25 years will be momentous ones in Empire history and in Canada's commercial history. The greatest experiment in commerce building and Empire-making since the dawn of modern times has been launched. That much is history. As the actor filling the chief Canadian rôle, Prime Minister Bennett has ensured himself of an undying place in world history. Let us hope he and his followers, here and overseas, have the wisdom to make the results worthy of the present promise.

The task of the Empire's statesmen is to make Imperial Preference work as a living creative force in the advancement of individual prosperity through national and world progress.

A PROTECTING ARM FOR INVESTORS

THE comparative helplessness of the average investor called upon to study and protect his interests when the managers of a company propose a writing down of capital, an adjustment of dividends on preferred stocks, or a recasting of bond structure has been made painfully apparent in recent months. Company after company has defaulted on its bonds or deferred payment of preferred stock dividends and has proposed a scheme to the investors, which they have had to accept because no guardian angel undertook to assemble them together, work out alternative schemes more in their interest, and protect them from exploitation.

The controlling interest in a company is a compact group able to determine what it wants, and controlling not only the machinery for obtaining its objective but the funds to finance the scheme it has in mind. The bondholding or stock holding class comprises many scattered investors with no single leader.

Recently the life insurance companies and other large investing institutions, who are members of the Dominion Mortgage and Investments Association, organized a committee to study reorganization schemes and protect the interests of investors in them. But this committee, by its very nature, does not represent scattered small and independent investors throughout the country.

In Great Britain a now large and influential organization, known as the Corporation of Foreign Bondholders assumes the functions of guardian and protector of investors' interests in defaults of government issues. It is operated by a directorate of representative bondholders and since 1873 has done much good work.

An attempt has been made in recent weeks to organize a Corporation of Canadian Bondholders to operate as a non-profit organization on behalf of private investors in industrial and public utility issues. That the objectives of the corporation are of the highest merit is beyond question; that the men who have been nominated as preliminary directors of the corporation are men of ability and standing is also true. The corporation is faced with one difficulty at the start; that of banding together a sufficiently large group of investors to insure itself of influence and authority and also of the necessary funds to finance the out-of-pocket expenses of organization and preliminary operation. The corporation has been seeking subscriptions of $10 each from private investors and hopes to obtain 1,000 such subscriptions before the end of the year.

Many investors have during the past year lost many times this small sum in reorganization schemes that were unfair to them and that were hurried through with no adequate study on behalf of the bondholders or preferred stockholders themselves. It would be a useful contribution to Canadian investment if the corporation were to meet with success in its appeal. If it does not, it may be taken for granted that no other group is likely to attempt the formation of such a protective body for some years to come and investors as a whole will be without the organizing force that is now the missing link in Canadian investment.

POLITICIANS MUST LEAD; CITIZENS MUST CHOOSE

PREMIER JOHN BRACKEN, of Manitoba, confesses that he is stumped by the problem of governmental deficits and can not suggest any way of meeting them that would not be opposed by large groups of people. He admits that the only way that his own government, for example, could reduce its deficit, which promises to be over $2,000,000 this year, would be either by an increase in taxation or by a curtailment of governmental services. In an address in Winnipeg he asked his audience:

". . . . to reach a balanced budget. If you were the government of Manitoba, how would you do it?

"Would you reduce the university grant? If so, you automatically force an increase in student fees.

"Would you lower mothers' allowances? If so, you would immediately be opposed by most of the social agencies and women's organizations.

"Would you reduce grants to schools? Some schools can scarcely carry on now.

"Would you cut down grants to hospitals? The hospitals are having their own difficulties. They want more help, not less.

"Would you reduce salaries still further. Ours are lower now than in any provincial service west of Quebec.

"Would you put on more taxes? If so, have you the courage to say what ones and how much. The common complaint is they are too high now.

"Would you repudiate your debt or interest payments? Certain southern states did that once and did not get over its ill effects for decades."

The duty of the head of a great government is not to propound riddles for his audiences but to find the answers to those riddles. Finding the answers requires perspicuity. Applying them requires courage of a sort that is possessed by only a few men in public life in Canada.

Mr. Bracken knows how his government could get back to financial soundness through a balanced budget. It is by revaluing governmental function in the light of present day conditions.

The choice to be made can be defined in simple language.

If the people of Canada are to obtain from their governments the measure of civil government, business, charity, and social service that they are now getting under present legislation they must be prepared to allow governments to spend about one-third of the present national income and one-fifth to one-quarter of a normal year's income.

If the people of Canada, on the other hand, prefer to have control of the spending of, let us say, 90 per cent of their income they must be prepared to provide for themselves a great many of the things they have asked and received from their governments.

To make the point clear a few examples of the governmental functions that have increased taxation from ten per cent to twice that percentage of the national income are: free or virtually free secondary education, allowances to mothers, pensions to the aged, publicly owned and tax free utilities, grants to the unemployed, etc.

The fundamental conflict is between the citizen as a payer of taxes and the same citizen as a ward of government. As the first, he objects to handing over to his governments for use by them on his behalf more than a small portion of his income. As the second, he expects the government to do things that his grandparents were quite ready either to do for themselves or to get along without.

If our politicians and bureaucrats will only realize it, public opinion in Canada has swung far away from the socialistic idea that has in recent years pervaded all of our legislation. They have tried the experiment of mixing about 25 or 30 per cent of communism in our national life and are disgusted by the revelation of the cost not only in dollars and cents but in vitiation of initiative.

Today brings the greatest opportunity since before the war for governments to give leadership; to take revised public opinion at its face value and to close up governmental departments by the score until budgets are balanced and even after that until governmental functions are reduced to the extent that can be financed on the prewar one day's work in ten to pay taxes.

AUSTRALIAN STATE SETS AN EXAMPLE

IN VICTORIA, one of the Australian states, it is now proposed that all students going on from the primary school grades to secondary schools should pay for their education.

Victoria has a free primary education system which, it is claimed, cannot be over-matched anywhere. The cost is about £1/15/ annually per head of the population. Some time ago the government which grants many scholarships enabling the best brains to go free through all grades to the university, established secondary schools with standards at least as high as those of the denominational and private colleges. The state charges for secondary education were fixed at from one-half to one-third of those levied at other schools, with the result that there was a heavy annual loss. In some respects the government secondary schools were free. Now, in its retrenchments for balancing the budget, the state government proposes to charge for all secondary education, and to bring the charges somewhat nearer those made by private and denominational schools. There is a great outcry by state school teachers, but the government will have its way.

The problem is a live one in Canada.

POST-scripts

WE HAVE now had an opportunity to see The London Times in its new typographical dress. The new type font, especially designed by The Times for its exclusive use, is an excellent letter, retaining most of the good qualities of the older types and with some advantages of its own. There is sufficient change from The Times old style to cause momentary concern and inconvenience to the older readers but they will no doubt come to like the new face.

To us, the most interesting thing about the change of face on The Times is the disappearance of the tiny white dot that has appeared from time immemorial on the masthead of the paper—that is on the actual title on the front page. This dot sometimes appeared on one letter, sometimes on another letter. It was so inconspicuous that thousands of Times readers—probably 99 per cent of them—never noticed it. Its purpose and use were simple. The Times is printed on a number of different presses in order to produce the large run quickly. The position of the dots provided a clue as to the press on which the paper was printed—a clue useful for office use but of no importance outside.

Agatha Christie, who has given modern detective fiction more original ideas than any other writer, once wrote a detective story in which the whole plot swung on the use of this dot in a mythical London paper, obviously supposed to represent The Times, but known in her story as the Leader. Strangely enough we read this story for the first time on the night before we saw our first copy of the new Times. We looked for the dot. It was missing on the front page. We looked back at older copies of the paper. The dot was there on each. But we are not fooled with a little problem like that. On the back page of the new Times the title is reproduced in smaller size. And there on the letter "E" was the tell tale dot.

NOT long ago considerable space was given by a nationally known publication to an article telling of the difficulty in securing radio announcers. The standard established by the National Broadcasting Co. and Columbia Broadcasting System is such that it is remarkable that any one can qualify for the job. One must be able to pronounce all the foreign operas with ease and fluency. A knowledge of one or more languages is essential. Technical words should present no difficulties. All in all the task of radio announcer is one calling for an extensive vocabulary and familiarity with all things foreign. The big-time radio announced is not infallible, however, as only the other night one of the newscasters had the following to say to his unseen audience: "From the little town of Or-e-leah in Ontario comes the news that Martin Insull . . . ." For a moment we could not place the "little town of "Or-e-leah," then it occurred to us that he meant Orillia. We are glad that the news did not emanate from Kapuskasing, Schubenacadie, Petitcodiac, Antigonish, Musquodoboit or other well-known Canadian tongue-twisters.

In the Mail

The Bay Route

Editor, The Financial Post,—

The first item I see on opening your publication of the 8th inst. is one that is inspired by hatred, greed, partizanship and consequently has a wide variance from the truth. I refer to the headline that "Canada's $50,000,000 Bay route suffers a staggering blow." It isn't a staggering blow. It's a mere detail. It won't affect the route nor the passengers and ships using it in the least. Further on you say the freight charges on both hulls and cargoes are ten times that by the St. Lawrence. Is that a prevarication or is it the truth? If the latter I can only say that if true it is a shame and disgrace to any newspaper or any government that permits and upholds any such extortion.

Probably the results in South Huron may be not barren of large results at the present session of Parliament.

40 years an observer,
J. A. CHRISTILAW.
St. James, Man.,
Sept. 7, 1932.

From a Purkis Reader

Editor, The Financial Post,—

The articles on Russia contributed by Mr. Purkis are of marked interest to those following up the experiments performed through the Soviet Republics. Yet, as far as one could judge from the two last editions, Mr. Purkis has neglected to produce an itinerary of his trip and fails to indicate along his narration, the geographic position of the spot where he made his enquiry. Somewhere in Russia will rather seem to lack precision.

For instance, one would like to know where is located "the first type of co-operative farm" mentioned in the October 8 issue. Marking with latitude and longitude the blessed spot where happy peasants are to be found is not too much, when lots of others, trying to pass the Roumanian border, were unmercifully shot to death.

Truly, Mr. Purkis draws a shadow upon the picture of that happiness when he notes that hundreds of men and women were flocked in a "dilapidated barn" and wore no socks or stockings. This he did well to write when back in Toronto and thousands of miles from the wonderland. The story of the perfectly happy man, who had no shirt of his own, will help in comprehending that peasants may be happy without knowing the comfort of socks, but this unquestionably cannot be made a standard of happiness. Books and pamphlets at hand; socks, stockings and sometimes shoes a wonder. A very peculiar organization indeed has Russia.

Business men, manufacturers, all readers of the Financial Post would also give better consideration to the figures quoted if the sources whence they originated were produced.

AMEDEE BUTEAU, C.E.
Hull, October 11, 1932.

"Stop Me If You Have Heard This One"

Sandy and Lizzie were strolling along one of the city streets, looking for a picture theatre. At last they came to one, over the entrance of which was a large placard:

"The Woman Always Pays."

"I guess we'll go in here," said Sandy.

The World at Large

An Occasional Department Discussing World Economic Affairs That Affect Canada

By F. S. C.

Washington Worried by "Buy British"

THE "Buy British" campaign has had such distressing effects on exports to England by important manufacturing groups in the United States that Washington has been consulted and its assistance asked.

According to United States manufacturers, "Buy British" has already been translated into "Don't Buy American," the most substantial damage being felt particularly in the electrical equipment field. Since the Ottawa Conference the movement is being broadened out to include "Buy Empire." Thus, it is suggested, American oranges and apple markets are being threatened by the supplies of South Africa and Canada. Indeed, it is probable that the effects on the United States would be more serious in the Canadian market than in the British. Although total exports are slightly less to Canada, the proportion of identifiable manufactured and trademarked goods is far greater.

It has already been pointed out to influential British companies with substantial export markets in the United States that the pronounced success of the campaign may put a similar idea into the heads of nationals of other countries and invite retaliation. The information is that preliminary activities in this direction are already under way in Belgium and Holland.

There is little the American government can do at this stage, except to bring together the various American interests affected that they may present a more persuasive front in further conversations with British industry. The nearest opportunity for formal inter-government discussion will probably be the World Economic Conference, where the effects of intense nationalism on trade can be threshed out

Socialism as U. S. Election Issue

By M. M. WILNER

WASHINGTON.—The extent to which Socialist doctrines enter as major issues into the presidential election in the United States this year is to be judged rather more by interpretation than by direct statement. The spokesmen of both the Republican and the Democratic party appear to avoid use of the word "Socialism," possibly because each party contains elements of Socialistic leaning whom it does not wish to drive out. The indirect references to threatened collapse of the fundamental principles of the republic and of the existing social organization, however, are too frequent and too forcible to permit any mistake of their meaning.

In the Hoover address of acceptance, for example, appeared the following:

"Only with these high standards can we hold society together, and only from them can government survive or business prosper. They are the sole insurance of the safety of our children and the continuity of the nation."

Something similar has been conspicuous in every speech which the president has delivered, growing more forceful as election day approaches. In the address to the American Bar Association Mr. Hoover went so far as to declare that "today, perhaps as never before, our very form of government is on trial in the eyes of millions of our citizens."

Obviously the one meaning which can attach to these expressions is that the country seriously is facing the question whether it will hold to old standards or turn to the schools of thought which aim at breaking up the existing organization of society.

* * *

GOVERNOR ROOSEVELT, on the other hand, has been at some pains to offset the idea that voters should look upon change as involving anything more fundamental than a transfer of power from one well-established party to the other. At the same time he has disclosed plainly that he looks to the so-called Liberal and Progressive schools of thought to supply the increase in the normal Democratic vote needed to carry the election. He has made this particularly evident in his speeches in New Mexico, Nebraska and Iowa, notably in his declaration of common thought and purpose with Senator Norris, who probably has advanced farther toward Socialist beliefs than any other national figure not openly enrolled in the Socialist party.

This reveals a recognition by Roosevelt hardly less distinct than by Hoover of the part which the drift to Socialist thought bears in the campaign, but the one is rather inclined to regard it as made up of an element which can be marshalled and converted into Democratic recruits, while the other views it as a menace which threatens to change the entire character of the nation for generations to come.

The president of the United States is elected, not by popular majority, but by an Electoral College, to which each state chooses as many members as it has Representatives and Senators in Congress. Roosevelt is assured in advance of the 124 electoral votes from 11 southern states. He must gain 141 more from other states in order to win. The states where these will be secured most easily, in the opinion of nearly all observers, are the group extending from Indiana westward to the Rockies. This is the territory most given to the election of the Socialistic type of Congressmen. It is the area which inevitably must be a very pronounced influence in the government at Washington if Roosevelt should be elected. Even if he should sweep nearly every state in the union, as some of his more enthusiastic friends predict, his victory would be only a more pronounced expression of the idea that poverty may be cured by redistribution.

* * *

THE campaign, nevertheless, has made obvious the fact that the people of the United States never have considered Socialism enough to have any realization of what it means. Even among the academic Socialists in educational circles, who include at least one very young and very conspicuous university president, scarcely one can be found who appears to realize that Socialism could not be effected by government purchase of property, but absolutely would require its universal confiscation. At least, there is no one who is arguing that government should confiscate his own property, even if he can speak approvingly of the theoretical seizure of the possessions of some one else whom he does not know.

It can be said safely, therefore, that whatever drift toward Socialism the returns from this election may show, the result would be only disillusionment and reaction as experience brought a more thorough popular awakening. The United States is in no danger of a Socialist revolution. The worst that it has to fear would be a further costly descent into hard times before the lesson would be learned sufficiently that confiscation and destruction cause hard times.

As Others See Us

The Ship and the Berg

The Free Press, Winnipeg: When The Financial Post, on October 8, said that the voyage of the Bright Fan had been regarded as a distinct triumph of man over nature, up to the moment when the vessel hit the berg that sank her, the Post's desire to give the Bay Route a black eye was so intense that it did not bother to wait on the inquiry as to how the collision came to happen. The ship was sunk, science had failed, it was a rotten expensive route anyway, and should never have been built; now was the time to let it have the boot.

What a potent bit of ice was the berg that sank the Bright Fan. In the expert fingers of the Financial Post, it becomes the doom of the entire route. The Post, with one iceberg, it will be agreed, has done a comprehensive job in a large and patriotic manner on one of the greatest natural developments in the country's history.

There is one easy way to make the Hudson Bay Route a success, and that is to give it a fair chance. To assume that a single unexplained mishap irretrievably damns the route, as The Financial Post does, is something more than nonsense: it is animus of a particularly vicious character.

Compulsory School Age

Sentinel-Review, Woodstock, Ont.—Judging from items in the press, it is evidently common experience throughout the province at the present time that secondary school enrolments are higher because numbers of young people are unable to obtain employment in present conditions. That being the case, it is interesting to recall a statement of J. W. Buckley, of Toronto, Labor speaker at a recent gathering in Woodstock, who, alluding to passing of the Adolescent School Attendance Act by a former administration, said:

"It would have been a criminal offence to force your children into the workshops at 14 years of age, and it (the Act) gave them schooling up to 16."

Whatever the attitude of organized labor may have had to do with enactment of the measure, we are all paying heavily today as a result thereof. The Financial Post in its current issue gave a summary of what has taken place in respect of school attendance throughout Canada, and in Ontario in particular.

"Between 1921 and 1931 the population of Canada increased by 20 per cent in the age classes five to 24. During the same period the school attendance increased by 26 per cent. Here we have one important reason for rising school costs. Formerly youngsters started to school at about seven. Now they start at about five. Formerly the compulsory school attendance was required up to 14. Now it is as high as 16 in some of the provinces.

"What advanced school regulations can do in creating a demand for enormous investments in school property is shown by Ontario's example. Between 1921 and 1931 population between five and 24 increased only 17 per cent; school attendance increased by 27 per cent

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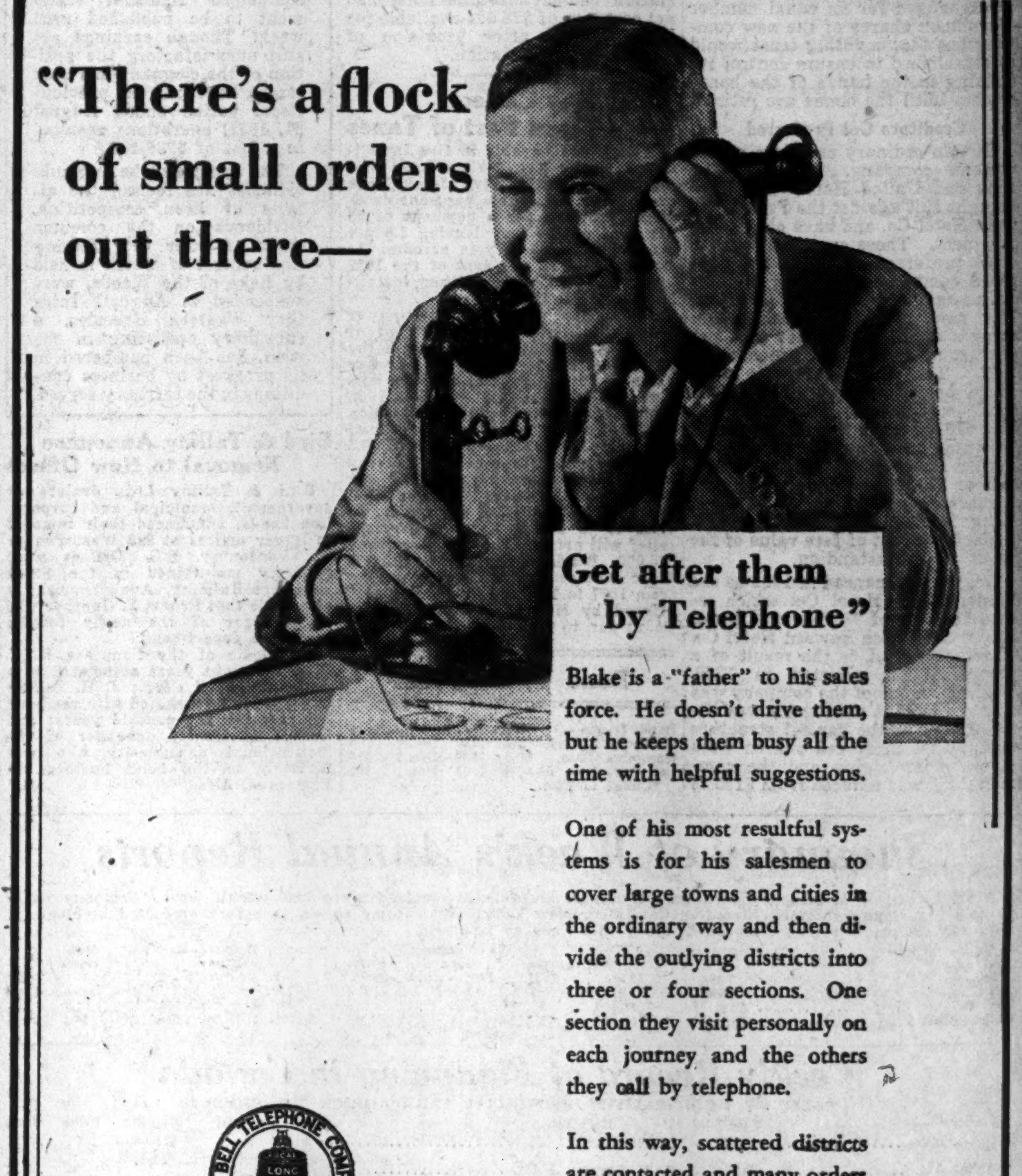

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The Week in Business

Business Upturn Not Yet Definite

Post Revises Monthly Business Index

Wheat News Turns to Southern Hemisphere

PRELIMINARY compilation of The Financial Post index of physical volume of business in Canada for September indicates that although the relative stability of the past three months has been maintained, no real progress has as yet been made in the upward movement. This result is obtained from the movement of the 26 key factors for which data is available at the time of going to press. The index is based on 47 factors which it is believed most accurately portray the trend of business in this country. A more definite trend may appear when final figures from all factors are available next week.

* * *

TO CLOSE readers of The Financial Post it will be of interest that our monthly index of business which has been a regular feature of this page for many years, has this month been revised and overhauled to include a larger number of factors and also to iron out various problems which have developed in recent years in connection with its use. For one thing the index has been placed on a 1926 equals 100 basis which permits of comparison with data covering, for instance, wholesale prices which are compiled on that base in most countries of the world. In the previous index the period 1923 to 1925 was used as a base. It also enables the index to be more readily weighted by the 1926 price level. The 47 factors cover mineral production, construction, manufacturing, electric power, distribution, bank debits, and industrial employment. Adjustment for seasonal tendencies is achieved by means of the month-to-month median link method.

As has been customary, the final index will not be available until the fourth week in each month but by considerably enlarging The Financial Post preliminary index to include some 27 factors and changing the weighing system the trend of the preliminary index has been made to conform closely to that of the final index. This means that in future the main chart which is reproduced on this page this week, will be available a full week earlier than has hitherto been the case. This will be accomplished by using the preliminary index for the current month. Any important adjustment as between the final and preliminary figure will be duly reported in the following week.

* * *

WITH the peak of the crop movement from country points in the West, at an end, attention is now centred on southern hemisphere crops which are now within five weeks of harvest. Both Australia and Argentina have a large acreage this year and the raising of even average crops in these countries would intensify competition in a market already restricted by heavy production in deficiency countries. Australian prospects to-date appear good but considerable damage from locusts is feared in Argentina. To date, 182,000,000 bushels of wheat have been marketed in Canada. Exports have been over 45,000,000 bushels but Canadian surplus on Jan. 1, 1933, which will have to compete with southern crops, will still be very large. Wheat prices have shown little or no improvement and indeed the past week has been an unfavorable one for all commodities with perhaps the exception of sugar and silver.

Business analysts in the United States are currently pleased with the favorable indices of production for September. The N. Y. Annalist index rose 3.7 points for the month due largely to increased cotton consumption. Bituminous coal output was also good and carloading and electric power output figures continue to rise.

Business Conditions in Canada

MARGIN WIDENS AS FARM PRICES STRIKE NEW LOW

100 Units of Farm Produce Now Purchase Only 66 of Goods

Whereas in 1828, 100 units of farm produce could purchase 100 units of manufactured goods, on September 1 of this year 100 units of farm produce could only purchase 66 units of manufactured goods, according to calculations made by The Financial Post from price indices compiled by the Dominion Bureau of Statistics. A year ago 100 units of farm produce could purchase 72 units of manufactured goods, while at September 1, 1929, their purchasing power was 114 units of manufactured goods.

The same situation is evident in a comparison between price indices of raw and partly manufactured goods and farm products, although the spread is not so large.

Steadily declining prices for field crops is responsible for the continued increase in the spread between the price indices of farm produce and goods during the past few months, the price index number for 46 field crops at Sept. 1, 1932, being 38.9 compared with 41.7 at August 1, 1932, and 40.5 at Sept. 1, 1931. Most of the decline in the total index of farm products from Sept. 1, 1931, however, is accounted for by the drop in animal prices, this being 12.7 points or 17.4 per cent.

Goods Also Drop

Manufactured goods and raw and partly manufactured goods have fallen to some extent also, the index number for manufactured goods being 71.0 at Sept. 1, 1932, compared with 72.4 a year ago, a drop of 2 per cent and of raw goods 53.9 compared with 58..5 a year ago, a decrease of 8 per cent. These decreases compare with the drop in farm products from 52.6 a year ago to 46.9 at September 1, 1932, or 11 per cent.

On the other hand the spread between wholesale and retail prices has decreased steadily during the past twelve months, from 19.4 points at September 1, 1931, to 14.4 points at the same date this year. On the same base of 1926 equals 100 the spread at September 1, 1929, was only 3 points, the respective index numbers being wholesale 97.8 and retail 100.8.

Wholesale Price Indices at September 1
(Base 1926 = 100)

	1932	1931	1930	1929
Fully mfg. goods..	71.0	72.4	84.8	94.1
Raw & part. mfg.	53.9	58.5	74.0	101.8
Farm products ...	46.9	52.6	71.2	107.7
Difference between:				
Mfg. & farm ..	24.1	19.8	13.6	—13.6
Raw & farm ..	7.0	5.9	2.8	—5.9

Wholesale & Retail Prices at Sept. 1
(Base 1926 = 100)

	1932	1931	1930	1929
Retail	81.3	89.1	97.2	100.8
W'sale	66.9	69.7	82.1	97.8
Spread	14.4	19.4	15.1	3.0

Business Briefs

Canadian Wheat Stocks at October 7 amounted to 209,230,663 bu., an increase from the previous week when the total was 198,239,902 bu. and 75,000,000 bu. greater than on the corresponding date a year ago.

Wheat Exports for the week ended October 7 were greater than the previous week which was the high for the crop year. Exports totalled 7,929,793 bus., the highest amount since the 1929-30 crop year. This compared with 3,575,896 bu. in the same week of 1931. Montreal handled nearly 3,300,000 bu., Vancouver 1,800,000 bu. and Sorel 1,270,000 bu.

Car Loadings for the week ended October 8 amounted to 51,959 cars, an increase of 146 cars over the previous week. The adjusted index showed a fractional increase from 67.36 to 67.56. Grain loadings were lighter but other commodities were higher.

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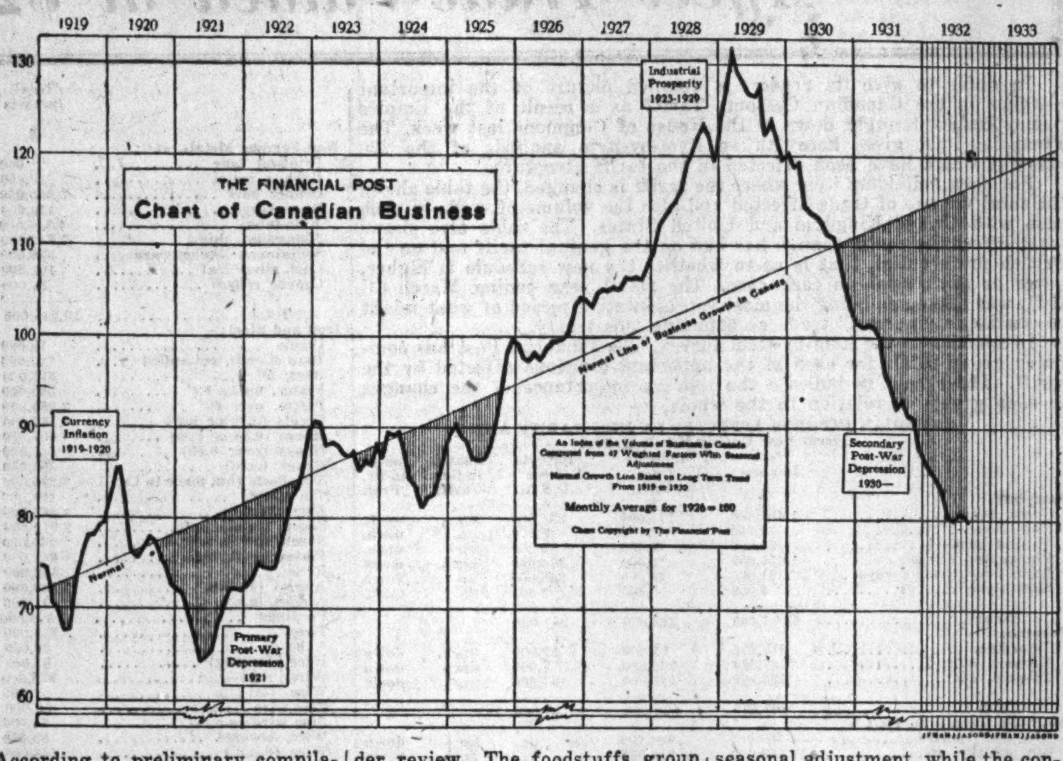
Business Stability Maintained in September



According to preliminary compilation The Financial Post business index failed to register a gain in September. The relative stability observable since June was repeated, however, in the month under review. The foodstuffs group recorded considerable improvement and shipment of metals and minerals from Canadian mines was at a somewhat higher level. Newsprint production was greater after seasonal adjustment, while the construction industry obtained new business in lesser volume. Carloadings made a better showing and external trade was more than maintained.

Preliminary Business Index Shows No September Gain

But Foodstuffs, Mineral Shipments, Newsprint, Carloadings and Trade Aid in Maintaining Stability

By SYDNEY B. SMITH

A preliminary survey of business operations during September disclosed a strong tendency toward stabilization at the levels established in the preceding months. The moderate gain in industries engaged in producing for direct consumption and the heavy movement of grain from the Prairie provinces, are the chief elements in the resistance to depressing conditions.

Toward the latter part of the month sentiment was sobered by the reaction in stock and speculative commodity prices but the financial background remains much brighter than in June when confidence was especially conspicuous by its absence. Temporary reactions are necessary in a period such as the present if for no other reason than curbing undue optimism unjustified as far as current conditions or near term outlook are concerned.

Readjustment Incomplete

Readjustment is by no means complete and recovery generally regarded as ensured in the sense that the low point from the general standpoint has been passed, will undoubtedly be slow and toilsome. The immense stocks of basic commodities which must be gradually liquidated as conditions improve, mitigate decisively against an overnight return to prosperity.

Among the tangible evidences of fundamental improvement over the panic conditions of last spring may be mentioned the spectacular gain in the price of government bonds and the firmness in high grades in recent weeks despite the reaction in stock prices and speculative commodities. Short term interest rates in the money markets of New York and London are at a remarkably low level. Government financing measures taken in Great Britain, France and the United States have been crowned with unexpected success, conversion and new loans having been placed at very low rates. While stock markets in Canada reacted in recent weeks, the spectacular gain culminating in the first week of September has not, by any means, been counterbalanced. Present levels are much in excess of the June lows and many authorities believe that the cyclical minimum is now a matter of history.

Business Appears Stabilized

The comparative stabilization of business operations since May is also a factor of prime importance. The pessimistically inclined would prefer to wait for a substantial upturn in industrial activity before admitting that economic recovery has commenced. Comparing the resistance offered by Canadian business in the last four months with the sharp and steady decline during the preceding thirty-six months, it is evident that a considerable transformation has been effected.

The Financial Post business index as preliminarily computed was 79.9 in September compared with 80.5 in the preceding month. As the change was so slight, it appears that the final compilation will confirm the present reading that general operations were not greatly changed and that the tendency toward stabilization apparent in the three preceding months was practically maintained in September. Of the 24 factors available at time of going to press, 13 showed gains in September after seasonal adjustment and 11 were down.

Minerals Make Gain

While August was a low month in mineral production, six of the factors indicating the trend showed gains in September. Receipts of gold at the Royal Mint were 447,186 ounces compared with 440,879 in August, but the total increase in gold shipments was somewhat less after seasonal adjustment. Exports of nickel and copper recovered somewhat from the low levels of August. Lead and zinc production reflected improvement in general conditions. Exports of silver were greater than in the preceding month and shipments of high-grade asbestos were greater than in any month since January.

Flour and rolled oats were produced in considerably greater volume in the latest month for which statistics are available. After seasonal adjustment production by the sugar refineries was greater in the four weeks ended September 10 than in the preceding period. The increase in cattle and sheep slaughterings was less than normal for the season and hog slaughterings showed decline. Cheese exports were down whereas a gain would be called for by seasonal considerations. Canned salmon exports fell away sharply in September.

Newsprint Production Up

Newsprint production at 150,691 tons showed moderate gain over August after the usual adjustment. Wood pulp planks and boards were exported in reduced volume but the external demand for Canadian shingles was considerably greater.

Imports of iron and steel products showed gain after adjustment for seasonal tendencies and price changes. The value of construction contracts was a disappointment in September, the total dropping to $9,645,800 compared with $12,689,000 in August.

Owing mainly to the heavy grain movement, carloadings showed a marked gain in September even after seasonal adjustment. The number of cars loaded in September was 215,654 compared with 175,625 in August, the gain after adjustment being about 6 per cent. The receipts of 120,538,000 bushels of wheat at country elevators and at loading platforms in the prairie provinces during September indicates the activity arising from a large grain crop. Exports during the same month amounted to 26,874,000 bushels. Export of merchandise was valued at $42,665,000 compared with $41,855,000 in August, and imports showed a slight gain after seasonal adjustment.

Commodity Prices

Current Prices at Wholesale‡
(N.Y. unless otherwise stated)

	Week ending Oct. 15	Previous week	Last year
Cattle (cwt.) .... (Toronto)	$5.50	$5.00	$6.50
Copper, lb.	.06¼	.06¼	.07
Cotton, lb.	.0650	.0665	.0650
Rubber, lb.	.0340	.0340	.05
Silk, lb.	1.75	1.75	2.37½
Sugar, raw, lb. ..	.0317	.0316	.0340
Wheat (Man.) bu.	.48⅛	.48¼	.60
Hides, lb.	.07	.08	.07½
Coffee, lb.	.08¾	.08¾	.05¼
Weekly Indices*			
N. Y. Annalist ..	90.9	93.1	100.3
Fisher's	61.3	61.8	72.6†
N. Y. Journal of Comm.	58.7	58.4	67.8
Crumps (Brit.) ..	62.9	63.7	64.9†

*N. Y. Annalist base, 1913, others 1926.
†Average 1931.

Monthly Indices

	Latest	Prev. month	Last year
Canada (D.B.S.) w'sale (Sept.)	66.9	66.8	69.8
Retail (Aug.)	81.5	80.8	89.1
U. S. Labor (Aug.)..	65.2	64.5	72.1
Gt. Brit. (Aug.)	67.2	66.1	67.2

‡Basis of price quotations is as follows: cattle—steers, good, over 1,050 lbs., top price, Toronto; copper—electrolytic, New York; cotton—middling upland, New York; rubber—smoked sheets, spot closing, New York; silk—Japanese 13-15, New York; sugar—96 degree centrifugal c/f. New York; wheat—No. 1 Man. North., Ft. W.-Pt. A. basis; hides—heavy native steers; coffee—Rio, No. 7, spot, New York.

Credit Trade Balance Maintained in September

September trade returns reveal a credit balance for the month of slightly over $8 millions which compared with a credit balance of $5.3 millions in the previous month and $4.5 millions in September, 1931.

Imports in September totalled $34,504,129, a drop of $2,000,000 from the previous month and nearly $11 millions less than a year ago. Exports were maintained at over $40,000,000 for the fifth consecutive month since the low mark of April and were $870,000 more than the previous month and $6,800,000 less than September, 1931.

For the first six months of the fiscal year the credit trade balance amounts to over $16,000,000 compared with a debit balance of almost the same amount in the first six months of the previous year. For the twelve months ended September the figures are even more impressive, a credit balance of over $42 millions comparing with a debit balance of nearly $35 millions in the previous period.

New Storage Plant Active

The packing house and cold storage plant recently erected by the Cooperative Growers at Kaleden at a cost of $55,000 is now in operation. It provides accommodation for 60,000 boxes of fruit in cold storage and for an additional 40,000 boxes in common storage.

RUMORS HEAVY AS MOTOR MEN MAKE NEW PLANS

Zero Hour Among Auto Makers Causes Much Comment

It is zero hour in the big automobile plants at Detroit, and with the large corporations in a good cash position, and inventories low, plans are now being laid for usual year-end changes and developments, according to Business Week, New York.

Plans of General Motors, it is said, call for a lot of "quiet pruning." The whole line has been gone over to eliminate inter-company competition. Unofficial but competent observers see Chevrolet continued a six with Pontiac pushed as a straight eight to compete with the Ford V8.

Remove Family Resemblance

"The strong family resemblance which makes Chevrolet look like a little Cadillac and vice versa is to be discontinued, a radical move for General Motors. Oldsmobile will be rescued from the price-vice of the Pontiac and Buick, and made style leader of the line to counteract the gains of Mr. Chrysler's De Soto. Stream lines are due for emphasis. There is talk, not very well founded, of a smaller car than Chevrolet to be sold horizontally like the Plymouth by dealers of all G. M. price classes."

Chrysler, too, is said to be doing a little overhauling. Plymouth may perhaps become a six with Dodge adding a new very low priced four.

Ford, as usual, is the source of many rumors, but it is denied that he is dropping the four in favor of the six. "What seems more credible is the rumor of a slashing price cut of the four, and a continuance of the V8, quietly perfected."

Hudson's Experiment

Hudson's experiment with the terraplane, as a fast, light but somewhat smaller car is said to have not met with the instantaneous success expected. This leads to the belief that small, plain cars for the model "T" market are less and less likely.

"In general," says Business Week, "the industry expects little from the remainder of 1932 and will probably get it. Eyes are on 1933 and the increasing number of old cars whose replacement has been delayed three years. However, the lesson of caution has been well learned. The industry is not going to pay for another attempt to lead all business in to the land of milk and honey. Automobiles will follow not lead the recovery procession."

Canadian Business Indicators

Compiled by The Financial Post

	Weekly Latest 1932	1931	Cumulative Jan. 1 to date 1932	1931
Transportation—				
Car loadings (Oct. 8)	51,959	56,221	1,677,116	1,944,808
C.P.R. gross earn. (Oct. 14)	$ 2,810,000	$ 2,934,000	$ 97,079,000	$ 113,666,000
C.N.R. gross earn. (Oct. 7)	$ 3,433,001	$ 3,211,765	$ 110,659,982	$ 135,764,699
	Monthly			
C.P.R. net earn (Aug.)	$ 697,206	$ 1,152,721	$ 6,808,793	$ 9,692,312
C.N.R. net earn. (Aug.)	$ 209,175	$ 514,034	$ 3,371,283	$ 2,178,688
Iron and Steel—				
Pig iron, tons (August) ..	5,992	23,212	90,510	362,737
Steel, tons (August)	26,710	52,491	234,704	559,465
Automobiles prod. No. (Aug.)	4,067	4,544	51,208	74,849
" exports, No. (Aug.)	1,566	797	6,225	12,257
Construction—				
Building Permits (Aug.) ..	$ 3,331,278	$ 8,201,879	$ 30,137,519	$ 78,194,996
Contracts (August)	$ 12,688,500	$ 26,142,600	$ 99,989,800	$ 217,134,900
Newsprint—				
Production, tons (Aug.) ...	157,919	165,124	1,293,947	1,460,650
Exports, tons (Sept.)	119,277	161,170	1,337,263	1,504,222
Sugar—				
Imports, raw, lbs. (Aug.) ..	98,885,200	98,401,300	520,013,000	540,008,000
Melt. & ship., lbs.*	82,116,218	88,920,024	569,162,759	603,009,163
Manufactured, lbs..	81,916,973	89,406,199	550,000,815	578,124,071
Flour—				
Production, bbls. (July)	1,201,965	1,319,008	7,134,414	7,967,781
Wheat flour exp., bbls. (Sept.)	385,113	556,565	3,534,100	4,210,968
Other Industrial Indices—				
Lumbering: Plank & board exports, mill ft. (Sept.)..	35.45	86.86	534.96	731.64
Boots & shoes, pr. (Aug.) ..	1,708,359	1,627,006	12,217,428	12,062,805
Petroleum, imp. crude, gal. (August)	89,776,589	106,065,392	644,965,555	668,538,344
Cotton, imp., raw, lbs. (August)	5,995,000	4,754,000	56,579,000	55,335,000
Rubber, raw, imp., lbs. (Aug.)	2,173,019	5,160,225	32,269,945	41,381,008
Coal, imports, tons (Aug.) ..	1,198,210	1,488,880	6,643,542	8,099,315
Gasoline sales, gals., (Apr.)	35,377,000	39,215,000	114,925,000	118,810,000
Trade—				
Imports (September)	$ 34,504,129	$ 45,379,099	$ 348,789,473	$ 494,965,007
Exports (September)	$ 42,186,815	$ 48,991,385	$ 348,729,930	$ 439,055,660
Wheat exports, bus (Sept.)	26,874,287	14,335,637	182,990,365	126,192,271
Labor—				
Employment Index (Sept.)..	86.0	107.1	......	......
Electric Power—Output—				
M. Kilowatt hours (Aug.) ..	1,231,013	1,256,149	10,335,016	10,819,441
Finance—				
Failures, No. (August)	188	155	1,588	1,416
Failures, Liabilities (Aug.)	$ 2,625,097	$ 2,350,094	$ 27,028,387	$ 27,715,048
Bank debits† (Aug.)	$ 2,116,000	$ 2,248,000	$ 16,828,824	$ 21,068,548
Bond sales (Sept.)	$ 78,141,747	$ 50,982,400	$ 271,536,603	$ 386,855,250
Insurance sales (Sept.)	$ 25,267,000	$ 30,066,000	$ 306,579,000	$ 367,283,000
Automobile Financing:				
Used cars (August)	$ 1,158,530	$ 1,488,373	$ 9,344,938	$ 16,191,101
New cars (August)	$ 1,022,043	$ 1,418,134	$ 10,067,558	$ 16,501,528

*Four weeks' period, Aug. 20 to Sept. 10.
†(000's omitted).

ADVERTISING GOES UPWARD SHARPLY DURING SEPTEMBER

Not Equal to Last Year, But Losses Are Much Smaller

From Our Own Correspondent

MONTREAL. — The trend of newspaper advertising linage in September turned sharply upward, according to measurements made by Media Records, Inc., and published in Editor and Publisher, of newspapers in all parts of the country.

While no classification of advertising equalled the volume reported for September of last year, the losses were in most cases substantially smaller than those reported for August, and in several cases were smaller than those reported for several months past.

Total newspaper advertising, according to the Media Records compilations, was 81 per cent of that carried in September, 1931. Percentages for previous months this year, each as compared with the corresponding month a year before, were: January, 86.6 per cent; February, 86.5 per cent; March, 79.3 per cent; April, 79.7 per cent; May, 76.7 per cent; June, 80.9 per cent; July, 74.4 per cent; August, 74.3 per cent.

General advertising made the best showing in September, reaching 83.5 per cent of the September, 1931, volume. Only in January and February were smaller losses reported. August showed a percentage of 72.1, while July saw the low mark to date in this classification, at 68.7 per cent.

Retail Linage Better

Retail linage reached 82.1 per cent of that a year ago. This percentage was also the best showing made since February. The low mark in retail linage was August's 74.4 per cent.

Classified advertising volume reached a percentage of 82.8, the highest since June, when the percentage was 86.6. August saw the low in classified to date, with a percentage of 79.0.

Financial advertising, with a percentage of 65.0, fell slightly behind August, when volume was 66.3 per cent of last August's. At that, however, September financial advertising was at a higher level than that of any month before August. The previous high for this year was 58.5 per cent in February, and the low was 48.5 per cent recorded in April.

Automotive advertising was disappointing by all comparisons, the percentage being only 60.9 per cent of that a year ago. This was the lowest point reached in automotive all year. August saw the previous low, with 67.8 per cent.

SAYS APPLE CROP WILL BE 3,157,000 BU.

Drop of 17 Per Cent From 1931 Expected By Fruit Branch

A commercial apple crop in Canada of 3,157,300 barrels representing a drop from last year's production of 17 per cent, is indicated in the October 15 estimate of the fruit branch of the federal department of agriculture.

All provinces except New Brunswick and Nova Scotia show slight increases, the estimate in the former province is unchanged but the Nova Scotia crop was considerably reduced by a gale which swept over the province on the night of September 17, and is now placed at 767,300 barrels or 54 per cent of last year. British Columbia crop prospects are increased slightly over those of last month and the crop is now expected to exceed last year's estimate by 29 per cent.

With the exception of the gale in Nova Scotia weather conditions have been generally favorable and the fruit has attained a size well above the average in most cases and color is favorable with an appreciable increase noted in some districts during the last two weeks of September. Weather conditions generally have been conducive to scab development.

Following is the summary of the commercial apple crop prospects by provinces as revised on October 1, compared with 1931 and the five-year average:

	1932 Estimate Bbls.	1931 Bbls.	5-year average 1927-1931 Bbls.
N. S.	767,300	1,427,492	1,270,400
N. B.	34,000	40,000	32,400
Quebec	179,000	200,900	145,500
Ontario	691,000	975,750	731,300
	Boxes	Boxes	Boxes
B. C.	4,458,000	3,446,730	3,738,900
Canada	3,157,300	3,793,052	3,425,900

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A Canadian corporation operating Canada's largest fresh food delivery system
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Canadian Stock Market Leaders of Tomorrow

Canadian Stock Market Leaders of To-morrow

Without prejudice and without any claim to prophetic vision, The Financial Post a few months ago published a series of articles on good Canadian stocks that seemed to meet the most obvious tests that needed to be applied to good securities. These articles were reprinted in booklet form. A few copies of this booklet (48 pages and cover) are available at 25c

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STOCK MARKET ACCEPTS PACTS WITH CAUTION

Awaits Actual Business Results From Ottawa Conference as Test

ADVANTAGES SEEN

Steel, Textile, and Automobile Industries Do Not Fear British Competition

Brokers and market analysts have found it hard to assess the effect of recent Empire pacts on the fortunes of companies whose securities are traded in largely in Canada. Stocks have responded uncertainly and even investors, who expect much from the arrangements made at Ottawa, are inclined to take a cautious view and to watch for whatever actual new business arises as a result of the energy of business men and manufacturers of Canada before making commitments. These men say that the good results they expect are general rather than specific, that a beginning in letting down the barriers between Canada and Great Britain may lead to more trade both ways and that more British anthracite sold in Canada may well have an indirect effect in more Canadian wheat and flour being sold in Great Britain, thus stimulating business in both countries.

So many of the arrangements made between Canada and Great Britain are intended to give markets to the British at the expense of the United States and other manufacturers now selling considerable goods in Canada that it is difficult to assess the effect in Canada. If Canadians buy British motor cycles instead of the United States motor cycles which hitherto have contented them, it may mean considerable changes to the trade in getting British agencies but it affects no Canadian manufacturer.

May Affect Dom. Foundries

If the British ship steel goods of a size and shape not hitherto made in Canada they will oust United States goods but not harm the Canadian manufacturer much. Dominion Foundries, it is true, finds three items which will affect its business, but this company had just announced its intention to manufacture structural steel in widths more than 66 inches. Such manufacture would come into competition with British steel which will be imported. On the other hand United States steel mills do not appear to be worried, stating that they are selling very little to Canada anyway under present conditions. The largest company, U. S. Steel, can expand in Canada whenever it desires.

Textile Companies Not Afraid

Textile companies on the whole appear to be quite satisfied with the pact and expect it to have little effect on their interests. Protection has been well maintained on staple lines. United States companies still expect to get style merchandise over the barriers and Britain will compete more in this realm than in the past. England has always managed to sell goods in Canada no matter how high the tariff, and some observers believe that manufacturers there will find ways to take greater advantage of the new duties than now appear likely. The depreciated pound still gives them an advantage.

However, importers of British textiles do not expect much benefit from the arrangements. They are not so much concerned with actual rates set forth in the customs schedules as with the valuations made for duty purposes. So long as arbitrary valuations can be made of imported goods, a dumping duty applied and an artificial value given to the pound they expect no good results from any schedule.

Canadian textile manufacturers have suggested to Ottawa that the system of valuation be retained but that the ports of entry be reduced to six so that corps of expert valuators could be maintained and ample justice be done to importers. Large merchandisers, who buy from domestic manufacturers and import as well, are willing to have this done but say that it is not politically feasible. There are far more ports of entry than are required in Canada but that it would be difficult to get them cut down materially because this is one of the chief ways in which parties reward political helpers for their services.

Wine-makers Not Disturbed

The Canadian wine industry does not appear perturbed by the decision to take South African wines, saying these will compete with Australian wine and Portuguese wine but not with Canadian, which can be had as low as 35 cents, whereas Australian and South African cannot sell lower than $1 a bottle. Distillers are concerned about the drop in duties on British liquors from $10 to $8 a gallon, saying this gives the Britisher an advantage of $1 per gal. over the Canadian distiller who pays an excise tax of $9.

British Horsepower Tax

Stock markets had already rather shrewdly estimated the probabilities resulting from the pact in so far as canning, automobile, flour milling and other industries are concerned. The temporary preference given by Great Britain for six months indicated in a practical manner what could be expected. The canning industry has been helped and the flour milling industry to a much smaller extent. Automobile manufacturers are currently expecting an announcement of a quid pro quo of free entry for Canadian autos in Great Britain in return for the freedom of the Canadian market received this week. Exports from Canada to Great Britain, however, are more hampered by the British tax on horsepower than by customs duties. On the other hand, the motor industry does not fear the import of British cars, saying the British industry will have to do a great deal of advertising and education to tempt many Canadians away from the type of car popular here.

Canadian packers might find a British preference very helpful when general world prices for bacon, eggs and poultry improve.

Canada Has Eleven Pacts Now Extant

When details of various inter-Empire trade pacts were placed before the House of Commons at Ottawa last week, Rt. Hon. R. B. Bennett also submitted a table showing other trade pacts which Canada has in force and with details of how long these pacts had to run, and so forth.

The statement, which includes the new inter-Empire pacts, is as follows:

Details of Canada's Trade Pacts With Other Nations

	Date Pact Effective	Period for which negotiated
Australia	Aug. 3, 1931	1 yr. †
Belgium	Oct. 22, 1924	4 yrs.‡
Czechoslovakia	Nov. 14, 1928	4 yrs.‡
Italy	Jan. 8, 1924	4 yrs.‡
Netherlands	Oct. 28, 1925	4 yrs.‡
B.W. Indies	Apr. 30, 1927	12 yrs.‡
New Zealand	May 24, 1932	1 yr.
U. Kingdom	Aug. 20, 1932*	5 yrs.†
Irish Free State	When agreed on	5 yrs.†
South Africa	When agreed on	5 yrs.†
S. Rhodesia	When agreed on	5 yrs.†

*Subject to necessary legislative action being taken as soon as practicable thereafter.

†And indefinitely thereafter, subject to 6 months notice of cancellation.

‡And indefinitely thereafter, subject to 12 months cancellation.

INCREASED ENTRY CANADA GOODS IN SOUTH AFRICA

Trade in $10,000,000 Market Now Placed on Sound Basis

Extensive preference for Canadian motor cars, rubber tires, wheat, newsprint and paper goods, agricultural implements, iron pipe, electrical apparatus, apples, canned fruit, hosiery, timber products and many manufactured articles, is seen in the trade pact with South Africa details of which were announced at Ottawa last week. In return, Canada extends preferential treatment on South African corn, fruits, sugar, tobacco, wines, wool, hides and skins, oranges, raisins and other tropical fruits.

British South Africa is a comparative newcomer in the Canadian trade returns as far as imports are concerned, there having been only two occasions prior to 1930 that imports of South African goods to Canada reached the million dollar mark. In the fiscal years ending March 31, 1931 and 1932, imports from South Africa were $3,329,000 and $4,323,000 respectively. Chief items in the trade were Indian corn and sugar.

Canada Sells $10,000,000

Canadian exports to South Africa have averaged $10,000,000 annually in the past four years. The all-time peak was in the fiscal year ending March 31, 1921 when Canada sold $14,649,000 of goods in that market. Canada's chief items of trade are wheat, automobiles, rubber tires and newsprint paper respectively.

South Africa has a population of 8,674,000 people and her total imports in recent years have averaged between $350,000,000 and $400,000,000. Of this total in 1930, United Kingdom supplied 46 per cent; United States 14 per cent and Canada 3.3 per cent.

Wheat In at 4 Cents

According to the terms of the treaty, wheat will enter South Africa under a duty of 4 cents per 100 lbs. and flour under an 8 cent duty per 100 lbs. Automobiles, agricultural machinery, canned vegetables, newsprint and paper goods will enter on a "lowest rate to any country" basis. Cast iron pipe will pay 16 cents per 100 lbs.; electrical stoves, irons and so forth, 5 per cent. Automobile tires, 4 cents per lb.; softwood, 18 cents per 100 super ft. and other unmanufactured lumber 3 per cent.

Chief item of importance to South Africa is free importation of Indian corn not used for distillation purposes. Fresh and tropical fruits will also enter Canada free during certain seasons specified in the pact. Of these, oranges are probably the most important, these entering free from May 1 to Dec. 1. Raisins and currants will also enter free. Special rates are levied on various types of wines, while wool, hides and skins, and sugar, come in under the British preferential.

Canada's Trade with British South Africa
(Fiscal Years Ending March 31)

	1930 $	1931 $
Leading Imports:		
Pineapples, canned	68,551	84,064
Indian corn	......	795,812
Sugar not above No. 16 D.S.	629,703	2,152,557
Wool, raw	61,533	84,664
Diamonds, inset	41,226	57,194
Leading Exports:		
Wheat	882,158	2,195,320
Wheat flour	378,728	275,430
Candy	125,905	94,364
Rubber boots & shoes	386,016	144,520
Rubber tires	1,727,886	1,027,422
Fish, canned	230,938	121,828
Wood, unmanuf.	380,401	221,661
Paper board & wall board	107,456	66,659
Newsprint paper	796,976	1,004,509
Wrapping paper	443,267	395,930
Iron pipe & tubing	158,844	170,455
Farm implements & machinery	1,340,273	630,432
Automobile	2,175,076	2,023,654
Automobile parts	255,186	133,983
Electric apparatus	283,750	400,661
Total Trade With Canada		
Imports	824,025	1,321,906
Exports	10,917,624	10,286,940

International Pete Output at 1931 Level

Average daily production of International Petroleum during September fell below that of previous months in both Peru and Colombia. Peruvian production averaged 18,749 bbls. daily and that of Colombia averaged 45,794 bbls. daily. In the eight months ended August 31 total crude production in Peru was 5,190,748 bbls. compared with 5,143,418 bbls. in the corresponding period of 1931 while Colombian production was 12,501,253 bbls. against 12,383,109 bbls. in the 1931 period.

No wells have been completed in either Peru or Colombia in recent months and production has been held at approximately the 1931 level. Production figures for August and for the eight months ended August 31 are as follows:

	1932	1931
August		
Peru:		
No. of wells completed	nil	3
Av. initial prod., bbls.	nil	246
Total crude prod., bbls.	623,998	588,403
Colombia:		
No. of wells completed	1	5
Av. initial prod., bbls.	†	712
Total crude prod., bbls.	1,444,595	1,512,528
Eight Months Ended August 31:		
Peru:		
No. of wells completed	3	34
Av. initial prod., bbls.	49	261
Total crude prod., bbls.	5,190,748	5,143,418
No. of wells completed	5	34
Av. initial prod., bbls.	623	654
Total crude prod., bbls.	12,501,253	12,383,109

†Not tested.

FOREST PRODUCTS ARE CHIEF GAINERS IN NEW AGREEMENT

Canada - Rhodesia Pact Features Wood and Paper Products

Preferential treatment on a selected list of commodities is obtained under Canada's new trade agreement with Southern Rhodesia and, in addition, other goods not enumerated in the schedules will continue to enjoy the benefits of existing and future British preferences. Trade with the colony has been small, Canada's imports being $10,000 in the calendar year 1930 and exports $1,221,000.

A small group of Rhodesian produce, including Indian corn, citrous fruits and peanuts are accorded the lowest rates of duty applicable to any country on importation into Canada. Indian corn and citrous fruits are accorded free entry and peanuts the same treatment as is accorded Australia. All other goods, the produce or manufacture of the Colony when imported direct into Canada will be accorded the British preferential.

The chief commodities of Canadian origin afforded preferences in the Southern Rhodesian market are:

Special Preferences

Cream separators—free; batteries, electrical, wet or dry, primary or secondary, including accumulators—5 per cent ad. val.; boots and shoes (a) of rubber and (b) all other—10 per cent ad. val.

Wooden boxes for packing—free; wood, unmanufactured—lowest rate to any country; ceiling and flooring boards—lowest rate to any country.

Paper, newsprint—free; plain or composite paper—free; wrapping paper, not including greaseproof oiled, etc.—free.

Automobiles and tires and tubes—British preferential rate which is being lowered.

IMPORT TRADE ITEMS AFFECTED BY PACT TOTAL $211,300,000

(Continued from page 1)

Great Britain. Only $6,000,000 of textile imports mentioned in the new pact, come from the United States. Here it is noteworthy that although the preference has in most cases been achieved by lowering the British rate of entry and leaving other rates unchanged, the decreases in the tariff in the majority of cases are very small. What has happened for the most part is that the ad valorem duty which ranges from 15 to 30 cents, has been left untouched but a reduction of 1 or more cents per pound has been made in favor of Great Britain, on the special specific taxes which have been charged on most textiles in the past year or two. Thus for instance cotton embroideries, lace and so forth will still pay a general duty of 30 per cent plus four cents per pound, while under the British preference the new rate will be 20 per cent plus two cents per pound as compared with 20 per cent plus three cents per pound in the previous schedule.

Wide Chemical Range

In the matter of dollars and cents, chemical trade does not loom as large as might be expected, the total trade affected being less than $11,000,000. The importance of this item, however, is that new and important preferences have been granted to Great Britain on a wide range of commodities. Out of the total import trade affected, over 60 per cent formerly came from the United States and only $1,500,000 or about 14 per cent came from the United Kingdom. Here again preefrence has been achieved by raising the general tariff rather than by lowering the British preference. Out of 42 items where changes occur, no less than 32 are increases in the general tariff rate.

Detailed figures of the import trade affected by the new tariff provision, analyzed by main groups and shown in totum as well as for United Kingdom and United States, follow. Item by analysis of the tariff changes will be found elsewhere in this issue:

ANALYSIS OF CANADIAN TRADE AFFECTED BY NEW TARIFF ITEMS
(Fiscal Year Ending March 31, 1931)

Total Canadian Trade

	Total Imports Affected $	Total Imports in Group $
Foodstuffs	3,114,000	....
Tobacco	867,000	6,464,000
Alcoholic beverages	33,142,000	35,435,000
Books, printed mat.	5,288,000	16,187,000
Chemicals	10,792,500	35,651,000
Vegetable oils	8,110,000	10,022,000
Clay and products	5,004,000	9,432,000
Glass (window, plate)	3,003,000	3,687,000
Non-ferrous metals	10,215,000	42,791,000
Elec. app. & radio	11,006,000	26,804,000
Iron & steel	33,189,000	89,259,000
Machinery	6,193,000	60,855,000
Cutlery, hardware	1,186,000	3,405,000
Automobiles, etc.	9,440,000	40,814,000
Textiles	25,095,000	130,717,000
Leather	7,947,000	4,311,000
Rubber	7,031,000	10,565,000
Coal	27,729,000	52,231,000
Miscellaneous	2,985,000	....
	211,336,500	....

U. K. Trade

	Total Imports Affected $	Total Imports in Group $
Foodstuffs	222,000	....
Tobacco	620,000	658,000
Alcohol. beverages	29,310,000	29,515,000
Books, printed mat.	1,184,000	2,486,000
Chemicals	1,570,000	4,602,000
Vegetable oils	490,000	681,000
Clay and products	3,224,000	3,822,000
Glass (window, plate)	684,000	895,000
Non-ferrous metals	674,000	3,551,000
Elec. app. & radio	845,000	2,769,000
Iron and steel	7,675,000	12,389,000
Machinery	610,000	3,894,000
Cutlery, hardware	552,000	868,000
Automobiles, etc.	102,000	968,000
Textiles	13,787,000	49,207,000
Leather	606,000	669,000
Rubber	34,000	532,000
Coal	5,659,000	6,145,000
Miscellaneous	178,000	....
	68,026,000	....

U. S. A. Trade

	Imports Affected $	Total Imports in Group $
Foodstuffs	961,000	....
Tobacco	234,000	4,580,000
Alcohol. beverages	....	3,000
Books, printed mat.	3,852,000	12,860,000
Chemicals	6,786,500	28,202,000
Vegetable oils	5,574,000	6,899,000
Clay and products	416,000	4,024,000
Glass (window, plate)	761,000	930,000
Non-ferrous metals	9,090,000	25,748,000
Elec. app. & radio	10,116,000	23,413,000
Iron and steel	24,406,000	71,673,000
Machinery	5,074,000	46,886,000
Cutlery, hardware	293,000	1,969,000
Automobiles, etc.	9,227,000	39,147,000
Textiles	6,253,000	48,244,000
Leather	5,397,000	3,491,000
Rubber	6,899,000	9,798,000
Coal	20,146,000	44,162,000
Miscellaneous	2,511,000	....
	117,996,500	....

Two Hundred Changes in Canadian Tariffs Affect Trade Valued at $211,330,000

In order to give its readers a detailed picture of the important changes in the Canadian Customs Tariff as a result of the Empire parley budget brought down in the House of Commons last week, The Financial Post gives herewith an item-by-item analysis of the 220 changes which have been effected in the tariff structure.

For each individual item where the tariff is changed, the table shows the total volume of trade affected and also the volume of trade in each case with United Kingdom and United States. The table also shows what effect the tariff change has had on the general tariff and on the British preferential, that is as to whether the new schedule is higher, lower or unchanged, in each case. The fiscal year ending March 31, 1931, was chosen as being the most representative period of what might be considered "normal" trade as affecting this treaty.

In addition to the item-by-item survey, The Financial Post has computed group totals for each of the important divisions affected by the tariff. These help to indicate the relative importance of the changes in each group, in relation to the whole.

CANADIAN IMPORTS AFFECTED BY NEW TARIFF ACT
Fiscal Year Ending March 31, 1931

	Total Imports $	Imports from U.K. $	Imports from U.S.A. $	Change in Gen. Tariff	Change in Br. Pref.
Foodstuffs:					
Cocoa beans	1,402,000	171,000	234,000	up	unch.
Rice flour	13,000	......	13,000	up	unch.
Vanilla beans	98,000	2,000	80,000	up	unch.
Pineapples, canned	1,275,000	24,000	374,000	unch.	down
Lime juice, fruit syrups	321,000	22,000	258,000	up	down
Malt flour	5,000	3,000	2,000	up	unch.
Total	3,114,000	222,000	961,000		
Tobacco:					
Cigarettes	157,075	95,000	59,000	unch.	down
Tobacco, mfg.	187,064	179,000	8,000	unch.	down
Tobacco, cut	523,000	346,000	167,000	unch.	down
Total	867,139	620,000	234,000		
Alcoholic Beverages, etc.:					
Ale, beer, porter	480,000	394,000	......	up	down
Gin, whisky, etc.	32,662,000	28,916,000	......	unch.	down
Total	33,142,000	29,310,000	......		
Books & Printed Matter:					
Books, printed	2,987,000	987,000	1,808,000	unch.	down
Advertising, etc.	2,301,000	197,000	2,044,000	unch.	down
Total	5,288,000	1,184,000	3,852,000		
Chemicals:					
Amyl alcohol	48,500	......	48,500	up	unch.
Perfumes (alcoholic)	209,000	20,000	32,000	unch.	down
Acetone	112,000	......	111,000	unch.	down
Chem. compounds	250,000	47,000	131,000	up	unch.
Aniline dyes	1,918,000	103,000	919,000	up	unch.
Soda, bisulphate	196,000	......	196,000	up	unch.
Calc. chloride	441,000	50,000	388,000	up	unch.
Xanthates	116,000	10,000	100,000	up	unch.
Ethylene glycol	227,000	57,000	114,000	up	unch.
Sal ammoniac	290,000	193,000	35,000	up	unch.
Oxide of cobalt	73,000	22,000	51,000	up	unch.
Tin bichloride	170,000	74,000	96,000	up	unch.
Copper sulphate	298,000	133,000	122,000	up	unch.
Iron sulphate	13,000	3,000	8,000	up	unch.
Cream of tartar	125,000	42,000	6,000	up	unch.
Phosphorous	25,000	......	23,000	up	unch.
Oxalic acid	20,000	......	......	up	unch.
Oxide, tin, copper	73,000	22,000	51,000	up	unch.
Zinc, sulphur or chlor.	108,000	18,000	79,000	up	unch.
Bichromate of pot.	6,000	2,000	3,000	up	unch.
Soda peroxide	40,000	......	40,000	up	unch.
Sodium sulphate	350,000	86,000	119,000	*	unch.
Aluminum chlor.	9,000	......	6,000	up	unch.
Alum cake	541,000	31,000	486,000	up	unch.
Stearic acid	130,000	85,000	18,000	unch.	down
Acids, n.o.p.	288,000	22,000	214,000	up	down
Nitric acids	18,000	......	18,000	unch.	down
Acid phosphate	170,000	2,000	167,000	up	down
Sulphuric ether	52,000	......	52,000	unch.	down
Soap, common	792,000	6,000	783,000	up	down
Castile soap	86,000	......	4,000	unch.	down
Perfumery	1,145,000	242,000	694,000	up	down
Ultramarine blue	55,000	31,000	13,000	up	unch.
Litharge	273,000	40,000	226,000	up	unch.
Red lead	111,000	46,000	61,000	up	unch.
Ochres	70,000	8,000	47,000	unch.	up
Varnishes	218,000	62,000	155,000	up	unch.
Putty	31,000	1,000	9,000	down	unch.
Printing ink	364,000	57,000	302,000	up	unch.
Acetates	24,000	7,000	9,000	up	unch.
Fertilizer, mfg.	1,298,000	48,000	944,000	unch.	down
Soda, hypo.	9,000	......	6,000	up	unch.
Total	10,792,500	1,570,000	6,786,500		
Vegetable Oils:					
Essential oils	869,000	146,000	484,000	unch.	down
Cottonseed oil	1,025,000	209,000	804,000	up	unch.
Palm oil	25,000	......	25,000	up	unch.
Cocoanut oils	2,016,000	77,000	1,737,000	up	unch.
Cocoanut oil (other)	25,000	......	7,000	up	unch.
Peanut oil	4,250,000	58,000	2,517,000	up	unch.
Total	8,110,000	490,000	5,574,000		
Clay and Products:					
Earthenware tiles	422,000	274,000	65,000	unch.	down
China tableware	3,690,000	2,483,000	59,000	up	unch.
Earthenware, etc.	316,000	94,000	141,000	*	unch.
Bathtubs	547,000	354,000	191,000	*	unch.
Crucibles	29,000	19,000	10,000	up	unch.
Total	5,004,000	3,224,000	416,000		
Glass:					
Window glass	1,119,000	90,000	20,000	up	down
Glass sheets	402,000	129,000	89,000	unch.	down
Plate glass (320)	817,000	178,000	486,000	up	down
Plate glass (321)	301,000	135,000	97,000	down	down
Plate glass (322)	364,000	152,000	69,000	unch.	down
Total	3,003,000	684,000	761,000		
Electrical Apparatus, Radio:					
Telephone appar.	2,545,000	420,000	2,124,000	up	down
Radio	7,845,000	66,000	7,737,000	up	down
Storage batteries	616,000	359,000	255,000	unch.	down
Electric generators	......	......	......	up	unch.
Total	11,006,000	845,000	10,116,000		
Non-Ferrous Metals, etc.:					
Printing type	91,000	8,000	80,000	unch.	down
Babbitt metal	19,000	6,000	13,000	up	unch.
Copper bars	3,653,000	....	3,653,000	up	unch.
Brass bars	119,000	45,000	74,000	up	unch.
Aluminum	4,546,000	477,000	3,702,000	up	down
Aluminum, mfgs.	1,244,000	47,000	1,172,000	up	unch.
Aluminum, kitchenware	355,000	10,000	322,000	up	unch.
Gold, silver leaf	101,000	41,000	28,000	up	unch
Copper rollers	87,000	40,000	46,000	up	unch.
Total	10,215,000	674,000	9,090,000		
Iron and Steel:					
Ingots	19,000	....	18,000	up	unch.
Bars & rods, hot rolled	843,000	426,000	309,000	unch.	down
Bars, 5"	315,000	3,000	296,000	unch.	down
Plates, up to 66"	363,000	47,000	290,000	up	unch
Plates, over 60"	2,065,000	480,000	1,462,000	up	unch.
Sheets (.080 or less)	3,853,000	649,000	3,139,000	up	unch.
Hoops (0.80 or less)	607,000	35,000	526,000	up	unch.
Hoops (over 0.80)	445,000	1,000	417,000	up	down
Hoops (cold)	366,000	13,000	324,000	up	unch.
Tin sheets (not made in Can.)	8,290,000	2,895,000	5,395,000	up	unch.
Tin sheets	496,000	420,000	76,000	up	up
Zinc sheets	1,865,000	897,000	957,000	up	unch.
Sheets for zinc mfg.	2,915,000	559,000	2,356,000	up	unch.
Sheets for tin mfg.	965,000	....	965,000	up	down
Plates for repairs	343,000	21,000	321,000	up	unch.
Rails	522,000	3,000	501,000	unch.	down
Angles (35 lbs.)	3,940,000	228,000	3,482,000	unch.	down
Angles, n.o.p.	111,000	45,000	66,000	unch.	down
Forgings	592,000	48,000	536,000	unch.	down
Tires	624,000	245,000	379,000	up	unch.
Axles	20,000	7,000	13,000	unch.	down
Wire (fencing)	55,000	9,000	46,000	up	down
Wire, rope	368,000	242,000	106,000	*	unch
Wire, flat	4,000	4,000	....	*	unch.
Zinc wire	70,000	1,000	69,000	up	unch.
Zinc wire (n.o.p.)	72,000	2,000	38,000	*	unch.
Wire, covered	59,000	4,000	54,000	*	unch.
Wire (n.o.p.)	288,000	37,000	236,000	*	unch.
Coil chain	113,000	56,000	34,000	up	unch.
Chains	264,000	42,000	219,000	up	unch.
Malleable chain	50,000	11,000	39,000	up	unch.
Tools, etc.	2,078,000	245,000	1,528,000	up	down
Motor engines	209,000	....	209,000	unch.	down
Total	33,189,000	7,675,000	24,406,000		
Machinery:					
Cream separators	1,090,000	....	859,000	up	unch.
Ore crushers	1,340,000	258,000	975,000	up	up
Flatbed press	1,352,000	176,000	1,072,000	up	unch
Offset press	993,000	142,000	786,000	up	unch.
Typewriters	534,000	34,000	499,000	unch.	up
Road paving machy.	884,000	....	883,000	up	unch.
Total	6,193,000	610,000	5,074,000		
Cutlery, Hardware:					
Cutlery	429,000	300,000	86,000	up	down
Penknives	199,000	43,000	15,000	unch.	down
Knives	279,000	119,000	111,000	unch.	down
Spoons	39,000	20,000	14,000	up	down
Scissors	128,000	10,000	40,000	unch.	down
Razors	112,000	60,000	27,000	unch.	down
Total	1,186,000	552,000	293,000		
Automobiles:					
Auto parts	1,406,000	....	1,406,000	unch.	down
Autos (up to $1,200)	7,550,000	5,000	7,535,000	unch.	down
Autos ($1,200 to $2,100)	....	....	....	unch.	down
Motorcycles	384,000	97,000	286,000	up	down
Total	9,440,000	102,000	9,227,000		
Textiles:					
Rovings (singles)	469,000	375,000	94,000	unch.	down
Rovings & tinsels	296,000	78,000	213,000	unch.	down
Mercerized cotton	1,981,000	126,000	1,854,000	up	unch.
Unbleached cotton	2,402,000	517,000	1,862,000	unch.	down
Bleached cotton	1,363,000	737,000	582,000	unch.	down
Cotton pile	691,000	398,000	172,000	unch.	down
Cotton hose duck	105,000	1,000	104,000	up	unch.
Bobinet	8,000	8,000	....	unch.	down
Embroideries	159,000	66,000	12,000	unch.	down
Cotton clothing	1,092,000	224,000	684,000	unch.	down
Linen thread	218,000	202,000	14,000	unch.	down
Flax fabrics	296,000	267,000	2,000	up	down
Towelling	4,704,000	1,320,000	108,000	unch.	down
Jute fabrics	25,000	20,000	2,000	unch.	down
Wool yarns	211,000	189,000	3,000	unch.	down
Wool yarns (mfgs.)	4,285,000	4,093,000	140,000	unch.	down
Felt	217,000	18,000	61,000	unch.	down
Blankets	730,000	591,000	122,000	unch.	down
Unfin. wool fabrics	879,000	546,000	....	unch.	down
Lustre	192,000	191,000	....	unch.	down
Wool fabrics	3,648,000	2,073,000	205,000	unch.	down
Socks, stockings	1,824,000	1,752,000	19,000	unch.	down
Total	25,095,000	13,787,000	6,253,000		
Leather, etc.:					
Hides & skins	4,705,000	22,000	2,831,000	down	down
Finished leathers	3,242,000	584,000	2,566,000	up	down
Total	7,947,000	606,000	5,397,000		
Rubber:					
Balata crude	13,000	6,000	7,000	up	unch.
Gutta Percha	6,768,000	3,000	6,674,000	up	unch.
Rubber thread	250,000	25,000	218,000	up	unch.
Total	7,031,000	34,000	6,899,000		
Miscellaneous:					
Fishing tackle	146,000	71,000	73,000	unch.	down
Rifles	269,000	34,000	192,000	unch.	down
Surgical instruments	1,704,000	49,000	1,458,000	up	unch.
Asphalt	611,000	....	601,000	up	unch.
Anthracite coal	27,729,000	5,659,000	20,146,000	up	unch.
Fur caps, etc.	221,000	24,000	170,000	up	up
Barytes	34,000	....	17,000	unch.	down
Total	30,714,000	5,837,000	22,657,000		
Grand Total, (items affected by pact)	211,336,500	68,026,000	117,996,500		
Total Imports, 1931	906,613,000	149,497,000	584,407,000		

*Intermediate tariff only increased.

*Intermediate tariff alone increased.

POLITICS RULE PACT DEBATES IN U. K. HOUSE

(Continued from page 1)

challenge the Dominions by her own generosity.

No detrimental results were likely in foreign markets. Rather the reverse was anticipated. Foreign countries were now sending delegations to London to negotiate trade treaties. Heretofore they had enjoyed a free market in Britain and, feeling no gratitude, had made no return. Britain, contended Mr. Macdonald, would continue to sell to Russia. The United States had a high tariff and no trade agreement but sold to Russia a vast amount of goods.

From my own conversations here, I would judge that people generally approve of the Ottawa conference agreements but that there is no great interest in or enthusiasm for them. The dominant questions of the moment here are disarmament, unemployment, the "too stringent" economy programme of the government, Ireland and European conditions. Amid such a welter of issues the Ottawa debate now going on is getting scant attention here.

FREE STATE MARKET ASSURED BY PACT

Irish - Canadian Agreement Places Present Preferences on Permanent Base

While the trade agreement recently concluded with the Irish Free State does not give Canada any additional preferences in that market from those which she has enjoyed since 1923, continued application of those preferences has been assured by the agreement.

Canadian goods entering the Irish Free State are accorded the benefits of the lowest rates of duty accorded to similar goods the produce of any country. In return, goods the produce of the Irish Free State when imported into Canada will be accorded the same tariff treatment as similar goods imported from the United Kingdom and Northern Ireland.

In the fiscal year ended March 31, 1931, imports from the Irish Free State into Canada amounted in value to $678,115, of which more than $650,000 entered free. Exports to the Irish Free State amounted to $2,770,000 in the same fiscal year.

Expect N. Zealand Treaty Will be Long Term One

A long term trade agreement with New Zealand was visualized by Rt. Hon. R. B. Bennett, speaking in the House of Commons last week, as a direct result of the discussions which took place between the Canadian and New Zealand delegates at the Ottawa Conference.

Mr. Bennett pointed out that the agreement which was concluded with New Zealand on April 23 1932, was for the period of one year only and the opportunity of discussing the extension of this treaty and the addition of other items was taken at the conference.

It is interesting that New Zealand has already ratified her trade pacts made with Empire countries at the Ottawa parley. The pacts passed the agreements without a vote.

Expect to Implement '31 Australian Agreement

Discussion with the Australian delegates took place at the Ottawa Conference with a view to implementing the trade agreement of 1931, the possibility of both countries extending further preferences to one another being explored, said Rt. Hon. R. B. Bennett, speaking in the House of Commons last week.

After the Australian delegates have reported the result of these discussions to their government, he said, it is hoped that further negotiations will be conducted with a view to obtaining additional tariff advantages on certain articles which Canada ships to Australia.

Begin Negotiations Soon for Indo-Canadian Pact

Although nothing definite was accomplished at the Ottawa conference in the formation of a trade agreement with British India, the presence of the Indian delegates gave the opportunity to examine the openings for mutual trade, according to the Rt. Hon. R. B. Bennett, speaking in the House of Commons last week.

The Prime Minister stated that it is hoped that after the Indian delegation have had the opportunity of reporting to the government of India the results of the conversations at Ottawa, direct negotiations may be entered into between the two governments.

Pipe and Allen Asked To Examine B.C. Fund

Pipe and Allen, consulting actuaries and statisticians of Toronto, have been appointed to examine the whole system of superannuation under the Superannuation Act of British Columbia. Their investigation will cover all phases of this Act and will call for the making of such recommendations as appear necessary or advisable in order that the system may be made both safe and practicable.

The firm has been asked to make a specific actuarial valuation of the assets and liabilities of the superannuation fund, and to ascertain the liabilities present and contingent of the British Columbia government both as an employer and otherwise under the Act and of each employer respectively under the Act. Recommendations are also to be made as to the relation which superannuation allowances should bear to the salaries of the employees in the various classes of contributors.

EMPIRE FILMS, LTD. OPENS IN TORONTO, SIGNS 70 FEATURES

Can. Organization Will Bring Some Important British Pictures

The current establishment of Empire Films, Ltd., with headquarters at Toronto for the purpose of distributing the film product of studios in Great Britain, the United States and Continental Europe, has been signalized by the signing of contracts for 70 features for the 1932-33 season. This is an important development in Canada's movie business.

Empire Films Ltd., which is a strictly Canadian organization with Canadian personnel and financed by Canadian and British interests, has opened offices in the six film-distributing centres of the Dominion, the branches being located at Toronto. Montreal, Saint John, Winnipeg. Calgary and Vancouver.

Ideal Pictures Absorbed

Ideal Pictures, Ltd., of Toronto, formerly handling Mayfair Pictures in Canada, has been absorbed by Empire Films, Ltd., whose president is Oscar R. Hanson, general manager of Allied Exhibitors, an association of independent theatre owners, and also as general manager of Associated Theatres Ltd., Toronto, a business organization of 70 independent exhibitors. Previously Mr. Hanson had been general manager of Canadian Educational Films for many years. The general manager of Empire Films is B. F. Lyon, who served in the same capacity in Canada for Warner Bros. for seven years.

Some Early Releases

Contracts have been signed for the exclusive Canadian rights on 20 British International Pictures; 6 Associated Radio Pictures, produced in the United Kingdom; 20 Majestic Pictures and 24 Mayfair Pictures, while the list so far includes one German production.

Some of the early releases of British International Pictures include the musical film, "The Maid of the Mountains;" George Bernard Shaw's "Arms and the Man;" Sir Arthur Conan Doyle's "The Fires of Fate," and a P. G. Wodehouse comedy, "Brother Alfred."

Majestic Pictures Corporation is a new producing company which has been able to line up many screen stars of international fame.

Imperial Oil Builds Plant For Gas Field

Officials of Imperial Oil confirm a report that it plans to build a new absorption plant in Turner Valley to increase the extraction of naphtha from the wet gas produced in the field.

It is understood the new plant will involve an expenditure of approximately $500,000 and will be an important step toward gas conservation as it has been known for some time that separators, used at present, will not alone result in the maximum extraction of naphtha.

Some years ago the Imperial Oil built an absorption plant which was in use before production from the limestone formation was reached. This plant was utilized in the construction of the gas scrubbing plant and since that time naphtha production has been confined to that extracted by the baffle separator method.

Alberta Seeks Wider Coal Mart

Alberta coal mines are anticipating increased shipments of coal to Manitoba this year. The Western Canada Fuel Association at Winnipeg estimates that shipments from Alberta will be increased by 100,000 tons.

DIVIDEND NOTICES

QUEBEC POWER COMPANY

Notice is hereby given that a dividend of Thirty-eight cents (38c) per share has been declared on the no par value common shares of the Company for the quarter ended September 30th, payable November 15th, to shareholders of record October 21st, 1932.

By Order of the Board,

JAMES WILSON,
Secretary.

Montreal, October 12, 1932.

MacKinnon Steel Corporation LIMITED

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) for the quarter ending October 31, 1932, has been declared on the 7% CUMULATIVE CONVERTIBLE FIRST PREFERRED STOCK of the company, payable November 1, 1932, to shareholders of record October 28th, 1932.

By order of the Board.

J. M. S. MACDONALD,
Secretary.

Montreal, October 18th, 1932.

DIVIDEND NOTICES

DIVIDEND NUMBER 233

Hollinger Consolidated Gold Mines, Limited

A regular dividend of 1% has been declared on the Capital Stock of the Company, payable on the 3rd day of November, 1932, on which date cheques will be mailed to shareholders of record at the close of business on the 20th day of October, 1932.

Dated the 13th day of October, 1932.

I. McIVOR,
Assistant-Treasurer.

McIntyre Porcupine Mines, Limited

(No Personal Liability)
DIVIDEND NO. 56

Notice is hereby given that a dividend of five per cent. (5%), plus an extra dividend of two and one-half per cent. (2½%), on the Company's Capital Stock, will be paid in New York funds on December 1, 1932, to shareholders of record at the close of business on November 1, 1932.

By Order of the Board.

BALMER NEILLY,
Treasurer.

Dated at Toronto, October 13, 1932.

Buywell Food Markets Limited

Preferred Dividend Notice

Notice is hereby given that a dividend of one and three-quarters per cent (1¾%) has been declared on the Seven per cent (7%) Preferred Stock of the Company for the quarter ending September 17th, 1932, payable October 15th, to shareholders of record at the close of business on September 30th.

By Order of the Board,

W. A. STANFORD,
Secretary.

Montreal, October 5th, 1932.

Merland Oil Company of Canada, Limited

Notice of Dividend

NOTICE IS HEREBY GIVEN that a dividend of Two and One-Half (2½) Cents per share has this day been declared upon the outstanding Capital Stock of the Company, payable on November 15th, 1932, to shareholders registered on the books of the Company on the 31st day of October, 1932.

By order of the Board.

WM. R. SWEENEY,
Secretary.

Dated at Toronto, Ont.,
11th October, 1932.

NOTICES

Employment Wanted

Barrister and solicitor, 10 years' experience in general civil practice, university graduate, wishes employment with industrial or mercantile firm. Write Box 100, The Financial Post, Toronto.

$18,400 VILLAGE of STIRLING 6% Waterworks Debentures 30 Years For Sale

George H. Luery, Clerk

FOR SALE BY VILLAGE OF RIPLEY

Installment Debentures $4,600 maturing Dec. 15th, 1932-1938, 5%. Price par and accrued interest. Apply E. F. Martyn, Clerk, or D. Munn, Reeve, Ripley, Ontario.

Notice is hereby given that License No. 21 dated September 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Fireproof-Sprinklered Underwriters to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

Notice is hereby given that License No. 22 dated September 29, 1932, has been issued by the Department of Insurance, Canada, authorizing the Subscribers at Metropolitan Inter-Insurers to transact in Canada the business of Fire Insurance, Sprinkler Leakage Insurance, Tornado Insurance, Insurance against damage to property of any kind caused by the explosion of natural or other gas, and Insurance against loss of or damage to property from falling aircraft.

The British American Oil Company, Limited

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

TAKE NOTICE that a Special Meeting of the Shareholders of the Company will be held at the Alexandra Room, King Edward Hotel, King Street East, in the City of Toronto, on Monday, the 31st of October, 1932, at the hour of 3 o'clock in the afternoon, for the purpose at the said Meeting or any adjournment or adjournments thereof, of considering, and if thought fit, passing a resolution approving, sanctioning and confirming a by-law enacted by the Directors authorizing the Directors at their discretion to create and issue 6% Convertible Sinking Fund Gold Debentures of the aggregate par value of Five Million Dollars, maturing 1945. It is intended that the proceeds of the issue, if made, will be used to capitalize the expenditures made in 1931 and this year in connection with the new refinery at Montreal, Quebec, the purchase of oil tankers for the movement of crude oil and finished products, the establishment of bulk storage plants at various lake and river ports, and/or other corporate purposes.

Holders of Share Warrants, by depositing same, together with statement of their name and address, with The Union Trust Company Limited, Victoria Street, Toronto, before the 29th day of October, 1932, will receive therefor a certificate entitling them to attend the above-mentioned Special Meeting. If any Share Warrant Holder who has complied with the above conditions desires to be represented by proxy he may nominate any registered Shareholder for this purpose. Proxy forms may be obtained at the office of The Union Trust Company Limited, Victoria Street, Toronto, and must, if presented, be authenticated by exhibition of the certificate of deposit of Share Warrants.

Return of Share Warrants so deposited will be made after the Special Meeting or adjournment thereof, upon delivering up to The Union Trust Company Limited, the certificate issued in respect thereof.

Dated at Toronto this 17th day of October, 1932.

P. W. BINNS,
Secretary.

Your Investments

Letters from subscribers to The Financial Post, who desire information bearing on their Canadian investments, will be answered by an early mail, and questions of general interest will be answered on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must be enclosed. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram. We do not select lists of securities but will supply current facts about securities in a list you may supply. Nor do we attempt to make any forecasts of the probable trend of any security. The service, in other words, is one of fact and not of opinion.

How Will Canada Bread Fare in Future Markets?

Though in Badly Depressed Industry, Company Has Record of Triumphant Survival in Difficult Periods of Past—Working Capital Maintained—Swift Decline Halted

Canada Bread Co., which makes bread, cakes, rolls, pies and cookies for 100,000 households from Montreal to Winnipeg inclusive, has repeatedly in 21 years existence been of great interest to the stock market because of the wide Canadian investment in the following four classes of securities or their predecessors:

$987,300 of 6 per cent, 30-year first mortgage sinking fund bonds due 1941;

12,500 shares of 7 per cent non-cumulative preference stock of $100 par value;

25,000 shares 7 per cent non-cumulative class "B" preference stock;

200,000 no par value common shares.

In spite of extremely competitive conditions in the bread and cake-making industry of Canada, owners of these securities are sufficiently numerous to ensure a continuing interest in the affairs of the company. Its prospects also are of great and continuing interest to the large number of Canadians who hold bonds, preferred shares or common stock of Maple Leaf Milling Co., which owns the controlling interest in the common stock of Canada Bread Co. To this continuing interest is added the speculative interest of those who are watching to see any sign of halt in the continual decline in net operating earnings, after bond interest, from $952,032 in the year ended June 30, 1929, to $451,763 in 1932.

Bonds Appear Safe

There is no concern among investors as to the position of the bonds as the interest was earned 8½ times even under depressed business conditions in the last year and little anxiety about the first preferred stock dividends which were earned more than twice over.

The keenest interest is directed to the 2nd preference or class "B" stock on which dividends have been reduced from a $7 rate to a rate of $1.50 annually, and a long way after that to the chances of the common stock coming back. Common stock dividends were 75 cents a share in 1930 after the 8 for one split and were more than earned. The payments in the next year were 62½ cents a share but nothing was earned and the dividend was dropped.

"B" Continues Old Common

The class "B" stock was issued in June, 1925, on the basis of an exchange of one share of class "B" and one no par value common share for every $100 par value common shares then outstanding. It therefore should be compared with the old common stock so far as earning power is concerned, the new no par value shares really representing a bonus on the old stock. That old common stock paid a dividend of 2 per cent in 1917 for the first time, 4 per cent in 1924 and in 1925 5 per cent plus the stock bonus referred to. The 2nd preference or "B" stock then took on with a payment of 7 per cent in 1926 and this continued until the fiscal year ending June 30, 1932, when only 1½ per cent was paid.

Earnings were sufficient in those years to pay as well $5 a share in 1927, $6 a share in 1928 and 1929 on the new no par value stock and 75 cents a share in 1930 after the 8 for one split of no par value common stock. In each of those years there was a good surplus earned over and above the common dividends and that was why the company had considered it advisable to split the common stock which had gone as high on the market as 208 in 1929 and went still higher after the 8 for one split to 28¾ in 1930.

Such high earnings then made the "B" stock look like a new safe investment stock of Canada Bread Co. and the stock sold as high as 115 in 1928 and 109 in 1929. It now sells at from 20 to 25 a share and the common has been quoted around 1¼.

Quick Rise Not Expected

If the present rate of 50 cents a share quarterly on "B" stock is continued, the present price of 25 a share represents a return of 8 per cent on purchases. The market is shown by these prices to be in a distinctly waiting mood. It appreciates the stock's possibilities enough to pay a price which expresses considerable confidence in maintenance of the present situation but it is not prepared as yet to discount the future. It will take chances of a dividend being deferred for an occasional quarter but is not yet ready to bid up the stock in the expectation of higher earnings soon.

The various transactions which play and interplay to produce prices on the stock exchange apparently have appraised this stock correctly so far as the immediate future is concerned. Under present conditions it is probably wise for investors to keep their feet on the ground and to move ahead only when definite evidence of improvement is given.

Now or When?

But this situation does not eliminate the long view possibilities nor can investors desiring to get in at the absolute bottom of the market be sure that their opportunity is not now instead of next year or the year after. It is at least worth while noting that, though last year's net earnings showed a further drop from the preceding year's total, the rate of decline was much less than had been shown for three years. Instead of 25 per cent and 50 per cent declines in total profits available for dividends the falling off in the last year was only 4.5 per cent as compared with the preceding year. It is to be noted also that these earnings were after deductions for depreciation reserve, for taxes and for doubtful accounts which were maintained at quite a high figure.

Noting One Doubtful Item

The company showed an earned surplus for the year of $71,231. This brought the accumulated earned surplus of the company to $1,892,981 but the company saw fit to transfer $250,000 of this to reserve for depreciation in value of investments and advances to "subsidiary company." This refers to an asset of $375,445 covering "investments in and advances to subsidiary." The total book value of the latter was shown on June 30, 1932, at $206,677. The special reserve account was made necessary, according to the president, Henry F. Gooderham, K.C., by "the uncertainty of business conditions generally and also because of losses from operation of subsidiary during the last two years." Little is known of this subsidiary, not even the name, but as it figures in the assets and may lessen the earned surplus, it is important. Lacking full information, it should be considered a doubtful factor.

Working Capital Strong

The company improved its working capital position during 1932. Its liquid assets were higher and its current liabilities lower. Working capital on June 30, 1932, was $331,877 and a year earlier only $170,733. A consideration of past balance sheets in good and bad years indicates that such a sum has been quite sufficient in any year for the company's needs. The company has been selling off its old equipment, adding to its new and writing off adequate depreciation from year to year. It has been the avowed policy for years to turn back large sums of money into plant so as to secure the greatest efficiency combined with economy that is possible. That policy has been a great help to it during the present depression and it is in excellent shape to take advantage of improved business as and when it occurs.

Is in Essential Industry

Conditions in the industry must improve considerably before this company can realize its potentialities. Canada Bread is in one of the oldest and most essential industries known to civilized man. Man may not be able to live by bread alone but he is accustomed to think that he must have bread as part of his diet. Whether prices are high or prices are low millions of loaves will be sold every week in the various communities served by Canada Bread. It has many competitors, some strong, some weak, and all anxious to make those infinitesimal differences in texture, taste, palatability, nutritiveness and price which will lead each consumer to take one loaf of bread as distinguished from another with much the same constituents.

Many Struggle for Precedence

But the investor would make a mistake in supposing that therefore it is an easy industry for a well-managed concern to make money in. Canada Bread, in order to keep the favor of its 100,000 house-wife customers and win more, tries to meet varying tastes by making 30 different kinds of bread and in the course of a week more than 100 different kinds of cakes, pies and cookies. It has a master baker at every plant and at the head office a super master baker who works constantly in testing products and preparing new formulas. Bread of all competitors is also tested and compared for texture, flavor, color, volume and bloom. It has to do these things. It is the price paid for leadership.

In a time of depression business volume drops. Unemployed take less bread and, though more bread is sold for purposes of relief, profits are cut on such bread almost to the vanishing point, whereas those relieved formerly bought at market prices.

When other food products are cheap, these also compete. It is not only the increasing loaves of bread being baked which have caused prices to go lower in the last few years. When potatoes go down to the ridiculously low levels now obtaining, bread makers find quite a difference in the amount of bread taken. Increasing diversity of meals, including meats, fruit, vegetables, dairy products, all have a limiting influence on the amount of bread consumed. Bread still finds a place everywhere and will continue to find one but it must expect these other products to maintain their place at the table.

Price Wars Ending

On top of the depression bread bakers have had price wars of severe character. Nobody made any money in these wars, which were even worse in the United States than in Canada. Even in Canada, the expansion of bakery establishments in the last decade so as to make sure of the domestic markets available for various flour millers, and the keen rush for business, brought over-productive capacity. And so secret discounts, free bread, premiums, high stale returns, open discounts, selling at a loss and bumper loaves, rampant across the border, began to find their way into Canada. Marginal operators without capital, ability or foresight sufficient to survive, adopted desperate sales policies and the distress prices thus produced had their effect in district after district.

In 1932 a more reasonable spirit has apparently prevailed. Some of the worst offenders discovered they were heading straight for bankruptcy. The chance of large production has led many bakers to supply large buyers who pay low prices not high enough to provide for depreciation. "They do not know their costs," has been the comment of experienced bakers in watching such tactics.

It is probable that a number of the weaker and less experienced bakers will fall by the wayside in the next few years. Where there are too many at the trough some are bound to be shoved aside. It is true in other industries as well where productive capacity is beyond present needs. The constant thought given to getting economy by the largest companies has led to operations being conducted in many plants with a smaller personnel. Bakers thus displaced have under present conditions found it easier to start small bakeries of their own and to seek custom than to look for other positions. Some of these will doubtless stick and for a time it complicates matters.

To conclude, there are the following reasons for supposing that Canada Bread may once again regain a position that will permit higher payments on "B" stock and in very good years on common shares:

1. The company has good management and direction;

2. Though Canada Bread dates only from 1911 it took over companies at that time like Bredin Bread Co., Geo. Weston (Model Bakery), H. C. Tomlin (Toronto bakery), Stuarts, Ltd. (of Montreal), and W. J. Boyd, of Winnipeg, which had become firmly established in their districts by operations lasting from 20 to 30 years; and additions since then have been of companies doing excellent business in their districts;

3. It has as Canada Bread Co. survived successfully difficult periods in the past both when prices were very low and when costs were very high;

4. It has been expanding operations for many years and can afford to dig in and consolidate now.

5. It has no banking indebtedness and funded debt is easy to carry.

6. It is to the interest of its parent company, Maple Leaf Milling Co. to see the company expand volume and earn dividends on second preferred and common stock.

Western Grocers Preferred

Can you let me have a little information as to the present position and prospects of Western Grocers, 6 per cent preferred, which seems to me to be on the bargain counter at current prices?

There is no Western Grocers Ltd. 6 per cent preferred stock. You probably refer to the 7 per cent cumulative participating preference stock of $100 par value of which there is outstanding $1,194,300. In 1925 this company had outstanding $2,388,600 preference and $3,000,000 common stock and the preference dividends were $17.50 per share in arrears.

In December, 1925, a plan for a reorganization of the company's capital structure was accepted by shareholders whereby preferred shareholders were to receive one new preference share of $100 par value, one new no par value common share and $2.50 in cash in exchange for each two preferred shares held, the arrears in dividends to be cancelled. Common shareholders were to receive new common no par value shares on the basis of one new share for each six previously held.

Since that time the 7 per cent dividend on the preference stock has been paid regularly and in one year, 1927, there was a payment of $1 a share on the common stock as well. The company had good earnings in 1927, 1928 and 1929 applicable to the preference stock and in 1930 it earned $7.54 and paid $7 a share, but in 1931 its earnings were down to $6.55 a share while $7 a share was paid.

Until information comes, therefore, as to the results of 1932 there must be some little anxiety as to the ability of the company to continue paying the 7 per cent preferred dividend at the present rate. However, the company at the end of 1931 had a strong working capital position with no bank loans outstanding with its inventories reduced to a point where they would be easier to handle and accounts receivable more than twice accounts payable. The company expects to make further operating economies during 1932 and, always supposing that accounts receivable prove collectible, the position of the company appears strong.

The company apparently has done a considerable business with the Red & White stores, a chain which is independently owned by customers of the company, but which co-operates with the management as a group under the Red & White plan of merchandising. If it proves that on the whole the continuous decline in grocery commodity prices for the last two years has been arrested, it should be an item in favor of the company.

Investors Syndicate

Apparently operating in Canada as well as here in New York State are salesmen of the Investors Syndicate, perhaps of Minneapolis, Minn. They deal in farm and other mortgages and promise for savings 5½ per cent interest compounded, over a period of 10 years. What is your opinion of this outfit?

Investors Syndicate of Minneapolis, Minn., is selling investment certificates both in Canada and the United States. These certificates are contracts between the company and those who buy the certificates by which the certificate buyers agree to pay a certain sum monthly, quarterly or annually and to receive at the end of ten years a certain stated sum which does not amount exactly to 5½ per cent interest compounded, but is not far from that figure.

The company has been in existence since about 1896 and its balance sheets from year to year have shown growing investments in mortgages and securities, based on money received from the sale of these certificates. The company does not publish an income account and its auditors are a New York firm which naturally audits on behalf of the shareholders rather than the certificate holders. The company is doubtless inspected by many state authorities as it is to a certain extent by provincial authorities in Canada. In a number of provinces in Canada a certain deposit is required from the company so as to protect the company's obligations to certificate holders.

The company's holdings in mortgages, which are mainly on small homes amortized on a monthly basis, are scattered all over the continent and are difficult to assess from here. The company's executives claim that the Securities Commission of Minnesota check their affairs closely through state bank inspectors. In New York State Investors Syndicate has a special company as subsidiary in order that it can do business according to state laws.

From the standpoint of a buyer of certificates the main thing for him to consider is whether or not he will be able to continue payments throughout the life of the contract. If payments are continued for the full ten-year period the contract proves profitable to the certificate holder on getting the full amount. If, on the other hand, he has to abandon the contract earlier, the withdrawal value is hardly sufficient to have warranted the investment. Five years would elapse before he could withdraw an amount equal to what he has paid in. You will appreciate the fact that in the first year, as with insurance companies, most of the money received goes for commissions and other expenses.

Regal Bakeries

Will you give me what information you can regarding Regal Bakeries? A few years ago I took ten shares common stock. Is this a dead loss?

In March, 1931, George Weston, Ltd., acquired Regal Bakeries' plants at Toronto and Oshawa. The price was stated to be $500,000, partly in cash and partly in stock. The old company has not made a statement to shareholders so far as we are aware of the intended disposition of these assets. Requests for information on behalf of shareholders from The Financial Post were not answered. Shareholders have a right to the information.

Oils Chains, Beverages

Shall I buy the following stocks at present market prices? Imperial Oil, B. A. Oil, Dominion Stores, Canada Dry, Ford Motor "A"?

Both oil companies in your list have had their domestic business fairly well protected by the present tariff but in the ultimate analysis their positions can be expected to improve only as the world position of crude oil gets better. The search for crude oil has been rewarded so liberally that there is constant danger of overproduction if the severe curtailment measures now in effect were to be relaxed. The situation has been controlled for so long that there is considerable hopefulness that it will continue to be controlled, but the potential over-production does overhang the market and cloud prospects of oil companies.

The current position of earnings, however, gives reason for considerable confidence.

Canada Dry has not done so well as it would if it had had a long, hot, dry summer. At the beginning of the last quarter of the year it was expected that it would earn its dividend. As things are it will probably come pretty close to it and the actual results will soon be known. Sept. 30 concluded its fiscal year. The company has had growing competition in the United States from powerful competitors in the last year or two while the business depression tends to decrease the demand for luxury products. The company, however, has been developing new products and has gone out after the available business vigorously. On the long view the enterprising policy of the company should produce good results, but its potentialities will be best when the present depression is definitely over and recovery well under way.

Ford Motor "A" must depend on success achieved by the company from year to year. Motor sales in the last two years have dropped so drastically that dividends for the moment are out of the question. The company is very strong financially, however, it has an astute executive and has been able to command exceptional engineering ability in its attempt to give as good value in a low priced car as possible. Those who buy this stock do so on the strength of the past record of the company and in the hope that it will work into important business again, as business conditions improve. It is already doing so in the United States and in Canada it does a large business relative to the total market for all cars. It suffers from the general tendency to make the old cars do as long as possible.

County of York

Among a list of diversified bond holdings I have a County of York 5 per cent debenture maturing in 1943. I understand from the Toronto papers there has been some difficulty in the finances of this county and would appreciate any information you could give me. I would especially like to know if, in your opinion, the affairs of the county are now being conducted in a businesslike way. If you have any idea also of the tax arrears at this time, this information would be appreciated.

There is little resale market for the bonds of the County of York due to the fact that the county is often confused with the townships in its borders some of which are not in a very good condition. The financial position of the county however appears to be reasonably sound and both the gross and net debenture debts on a per capita basis are comparatively low. In 1931 the tax levy amounted to $1,143,490 of which $474,896 was uncollected at December 31, 1931. The total amount of arrears was collected early this year, however, and at the present time it is understood that there are no outstanding overdue taxes owing the county by the constituent municipalities.

In 1931 the county had a deficit of $33,000 on current account, but this deficit was provided for in the 1932 levy which amounted to $1,219,105. Taxes are not due to the county until December 20 each year, so that the end of the fiscal year usually shows a large amount of taxes still remaining unpaid. The county has a bank loan on current account which will be paid out of this year's taxes and on September 30 sold an issue of $300,000 of 5 per cent 20 installment debentures, at 99.777. Gross debenture debt now amounts to $1,452,000 or $7 per capita. There is also a guaranteed debt representing bonds of constituent municipalities issued for school purposes and guaranteed by the county, amounting to $1,986,301. The county has an assessed value for taxation in 1932 of $120,285,047, a population of 207,223 and a tax rate of 10 mills.

Godfrey Realty

What is the standing of the bonds of Godfrey Realty Corp. which owns a building in Montreal? Is the company earning interest and sinking fund charges?

Very little information is available on Godfrey Realty Corp. which owns the Confederation Building in Montreal, and we have never seen a financial statement of this company. We are informed by W. A. Mackenzie of W. A. Mackenzie & Co., which sponsored the issue of the 6 per cent first mortgage bonds that the company is not earning its bond interest at the present time but has a very strong cash position. We are informed that the sinking fund which became operative June 1, 1930, is paid up to date. Just how long the company can continue to pay bond interest out of surplus, we are not aware but Mr. Mackenzie is optimistic with regard to position of the first mortgage bond holders.

Unless rental conditions improve in Montreal and the Confederation Building can improve its earning position, it would appear that future interest payment on the Godfrey Realty Bonds would be in danger since it does not appear likely that the company in its comparatively short existence has been able to build up a sufficient surplus to meet unearned bond interest indefinitely.

International Hydro

I have considered the purchase of a bond of International Hydro-Electric System. I am anxious to know, however, what progress the company has made this year before I make a decision; have you some data on earnings? What do the bonds sell at?

Earnings of International Hydro-Electric System in the first half of the current year showed satisfactory gains. In the second quarter ended June 30, net revenue was higher by over $1,000,000 at $8,595,311 and interest on the funded debt of the system was covered by an ample margin. The company's subsidiaries are making progress. Canadian Hydro-Electric Corp. has shown increased earnings this year and some improvement has been revealed in the industrial load of New England Power Association.

Incidentally, bank loans of the latter company have been reduced by 65 per cent during the year. In 1931 International Hydro earned its interest requirements, after depreciation, twice over; outlook for the properties appears to be favorable. The debentures are quoted in New York around 48-50.

P. Lyall

Will you let me know what are the prospects of a distribution of assets of the P. Lyall Construction Co.

Prospect for distribution of assets of the P. Lyall Construction Co. to shareholders does not appear to be very favorable at the moment. The company is still in the hands of the liquidator and it is expected some time will elapse before the affairs of the company are wound up. Meanwhile, the liquidator does not hold out much hope for the stockholders.

Cons. Investment

Among my holdings is a bond of Consolidated Investment Corp. I would be much obliged if you would give me some information on this company; do you know if its position has been improved?

In common with other investment trusts, earnings and securities held by Consolidated Investment Corp. of Canada, have shown a sharp decline in recent years. At the end of 1931, market value of investments was $12,208,000 compared with a book value of $26,981,000. Earnings last year, however, were sufficient to cover bond interest requirements which were substantially lower owing to the fact that over half the outstanding bonds were redeemed in 1931. At the end of the year there were outstanding $7,161,000 of collateral trust bonds, compared with an original issue of $15,000,000. Any real improvement in the situation surrounding the company must await an appreciation in market values.

Can. Rail & Harbor Terminal

What is your opinion on Canadian Rail & Harbor Terminals Ltd. first mortgage 6½ per cent sinking fund gold Bond due March 1, 1951? Would you consider $1,000 in this a good investment for an elderly retired man?

While Canadian Rail & Harbor Terminals Ltd. has shown an operating profit in each of its four years of operation, in no year has this operating profit been sufficient to cover interest charges and depreciation with the result that a deficit has been shown each year and totalled $1,164,938 at December 31, 1931.

The company has $3,500,000 of 6½ per cent first mortgage bonds outstanding on which interest has been paid to date although interest due September 1 was paid in Canadian funds whereas the trust deed called for payment in New York funds on demand. The company also has $2,000,000 of 7 per cent general mortgage bonds and $305,000 of 7 per cent 30-year debenture outstanding and interest on both of these issues has been in default since 1931. Protective committees have been formed but so far as we are aware these committees have not taken any action against the company.

The company has a very heavy capitalization and while its property is modern and well managed it does not seem probable that fixed charges can be earned on funded debt for many years and reorganization is probable. While this would not necessarily affect the first mortgage bond holders' equity it has definitely affected the market for first mortgage bonds and while these bonds might be considered a speculation, they could certainly not be considered a good investment for an "elderly retired man."

1832-1932

In 1837, five years after the foundation of The Bank of Nova Scotia Princess Victoria, a girl of 18, ascended the throne of England.

5 Years Before
QUEEN VICTORIA'S
ACCESSION
to the Throne

The accession of Princess Victoria marked the commencement of an era of unprecedented industrial expansion in Great Britain. The founding of The Bank of Nova Scotia likewise marked the beginning of a new era—it was one of the early steps which led to the development of an independent corporation banking system in Canada. Today The Bank of Nova Scotia serves its customers with a nation-wide system of Branches and old established world-wide banking connections. It places at their disposal the accumulated experience of a century of successful banking.

This advertisement is one of a series commemorating the hundredth anniversary of The Bank of Nova Scotia

A CENTURY OF BANKING SERVICE

The BANK of NOVA SCOTIA

Canadian Securities

Dominion of Canada
Dominion Guaranteed
Provincial Government
and Municipal Bonds

DOMINION SECURITIES
CORPORATION LIMITED
TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.
15 King Street West, Toronto

4%
paid on deposits—
subject to withdrawal
by cheque.

CENTRAL
CANADA
LOAN AND SAVINGS
COMPANY
KING AND VICTORIA STS., TORONTO
23 SIMCOE ST. N., OSHAWA
ESTABLISHED 1884

Canadian firms requiring London (England) address and representation. For the small sum of Twenty-five dollars per annum you can have name of firm displayed, address, catalogues filed, small samples exhibited, and complete London Office service in one of the largest up-to-date offices in Kingsway (Strand). All communications treated confidentially. Write or cable Mr. Hepburn, 52 Swinton St., London, W.C. 1, England.

Capital: $1,000,000
Complete
Trust Service
covering
Wills and Trusts
Mortgage Loans
Real Estate and
Investment
Registrar and Transfer Agents
Safety Deposit Vaults
THE
EASTERN TRUST
COMPANY
Head Office — Halifax, N. S.
Saint John, N.B. St. John's, Nfld.
Charlottetown, P.E.I.
MONTREAL
212 St. James Street W.

IN THE TWINKLING OF AN EYE?

EVERY DAY IS
REMEMBRANCE DAY

"I call Mother regularly by telephone. It's like being at home again. And mother's all the better for it, now that she and dad are left alone. It really costs very little, and it means a lot to talk and listen to mother over 800 miles, as clearly and intimately as if I were in the room with her."

Keep in easy, intimate touch with the folks at home. Give them the happiness of regularly hearing your voice. No matter where you are, communication with your home is a matter of minutes over the direct coast-to-coast telephone circuits of The Trans-Canada Telephone System. Take advantage of the moderate rates, clear conversations and speedy connections provided by the Trans-Canada lines.

Between

VICTORIA	and Montreal	$8.50
	" St. John	9.50
	" Halifax	10.25
VANCOUVER	and Calgary	$2.60
	" Ottawa	8.00
	" St. John	9.50
CALGARY	and Hamilton	$6.25
	" St. John	8.00
	" Montreal	7.00
EDMONTON	and Winnipeg	$3.00
	" Toronto	6.25
	" Halifax	8.50
REGINA	and Victoria	$3.50
	" Toronto	4.75
	" Montreal	5.50
WINNIPEG	and Vancouver	$4.50
	" Sydney	6.25
	" Halifax	6.25
TORONTO	and Vancouver	$7.75
	" St. John	2.55
	" Halifax	3.50
MONTREAL	and Vancouver	$8.25
	" Edmonton	6.75
	" Halifax	2.40
ST. JOHN	and Edmonton	$7.75
	" Winnipeg	5.50
	" Quebec	1.30
HALIFAX	and Vancouver	$10.00
	" Calgary	8.75
	" Ottawa	2.80

● NOTE: The above rates are for Station-to-Station Day Messages.

THE TRANS-CANADA TELEPHONE SYSTEM

Alberta Government Telephones
Bell Telephone Company of Canada
British Columbia Telephone Co.
Manitoba Telephone System
Maritime Telegraph & Telephone Co.
New Brunswick Telephone Co.
Saskatchewan Government Telephones

THE TRANS-CANADA
TELEPHONE SYSTEM

INVESTORS ASKED TO PROVIDE FUNDS FOR NEW WEEKLY

Company of Canadians Adventures Into Publishing Field

Investors are currently being solicited to adventure their money into the flotation of a new Canadian magazine to be called, "The Canadian Weekly News-Pictorial." The prospectus of The Company of Canadians, Ltd., which is to father the new weekly, covers an offering of 3,000 subscription-stock units at a cost of $50 each. Each unit will consist of one share of 7 per cent cumulative preferred stock of $50 par value, one share of no par value common stock and a life-time subscription to the magazine. The magazine itself is to be offered to other than member-subscribers at four dollars per annum.

Hopes for 100,000 Circulation

It is represented in the prospectus that the free receipt of the magazine in itself constitutes an 8 per cent return on the investment, and that in addition there will be a 7 per cent return on the preferred stock. The prospectus further adds, "To further compensate for the seemingly speculative nature of this investment, the common stock should have a very substantial value at the end of a three year period and be on a very attractive dividend basis." The prospectus also anticipates "that this magazine will speedily attain (through judicious sales promotion and extensive advertising) a circulation of over 100,000 copies per week."

F. J. Beech is Founder

The founder of the company, as set forth in the statutory information concerning the company, is F. J. Beech, who agrees to devote his exclusive time for five years from August 15, 1932, at a salary to be fixed by the board of directors in consideration of the allotment to himself of 250 fully paid-up preference shares and 9,995 shares of the total issue of 10,000 no par value common shares. Mr. Beech, by a further agreement, sets aside 3,000 common shares to be used as a bonus on the sale of the preference shares. Mr. Beech is therefore to get for his services an unnamed salary and $12,500 in par value of preference stock as well as 6,995 no par value common shares. Presumably the other 2,750 preference shares will remain in the treasury.

The public by this plan is asked for $150,000 of which 20 per cent may be spent to pay commissions of agents or salesmen. The incorporating directors include F. J. Beech and J. S. M. Ridley, manufacturer, the others mentioned being from a law office and probably temporary. The right to issue bonds and debentures ahead of the preferred stock is reserved by the company.

PUBLIC SERVICE ISSUES REPORT FOR FIRST TIME

Shows Interest Earned 1.53 Times Before Depreciation; Serves B.C.

The first annual statement of Canadian Public Service Corp. shows gross operating revenues and miscellaneous income at $361,722 for the year ended June 30, 1932, and operating expenses at $156,570 which leaves $205,151 available for bond interest before provision for taxes or depreciation. Interest charges amounting to $131,380 were earned 1.53 times. The company ended its first year of operation with a surplus of $8,620.

Canadian Public Service Corp. controls West Canadian Hydro-Electric Corp., Canadian Western Telephone Co. and Inland Ice & Cold Storage Co. all of which operate in the Okanagan Valley of British Columbia. Gross revenues of the power company are stated to have increased each month and net operating revenue of $101,517 in the year ended June 30, 1932, compares with $90,097 in 1931 and $60,275 in 1930. In July, 1930, West Canadian Hydro-Electric Corp. issued $350,000 of 6½ per cent debentures due July 1, 1945, and since July 1, 1931, over $130,000 of these debentures have been exchanged for preference stock of the parent company.

Gets Federal Grant

Canadian Western Telephone Co. serves the Okanagan Valley and Salmon Arm and Revelstoke. At June 30, 1932, the company had 5,165 stations, a decrease of 1.6 per cent in the year but it is understood there has been some gain in recent months. Inland Ice & Cold Storage Co. was acquired at Sept. 1, 1931, and received a grant from the Dominion Government. Operating revenue for the portion of the year that this company was operated was $8,574 but it is stated that contracts for the current season indicate revenue from the full year's operation will exceed $27,500.

The consolidated balance sheet at June 30, 1932, shows Canadian Public Service Corp. with total assets of $3,856,149 of which $3,518,265 is in fixed assets. Current assets amount to $158,874 and current liabilities to $139,854. Included in current assets is cash at $61,580; receivables at $48,592 and inventories at $48,703. Other assets are shown at $75,979 and deferred charges at $103,931. Among liabilities is shown deferred liabilities and credits of $32,120 and reserves at $327,684. Chief item under reserves is an amount of $318,387 for retirement of fixed assets.

The funded debt of Canadian Public Service Corp. consists of $335,450 in 5½ per cent debenture notes due May 1, 1935, while subsidiaries have a funded debt of $1,898,500 of which $1,233,500 is in bonds and debentures of West Canadian Hydro-Electric Corp. Share capital of Canadian Public Service Corp. held by the public totals $1,064,900 and minority interest in subsidiaries is $40,842. Canadian Public Service Corp. has 50,000 shares of $100 par value 6½ per cent cumulative preference stock authorized of which 7,753 shares of the original series is outstanding and 1,896 shares of the series A stock is outstanding. There is also 100,000 shares of no par value common stock authorized and issued.

Urges Canada Trade With Soviet Russia

Thornton Purkis Believes Canada is Losing Out By Policy of Not Permitting Imports From Russia

By THORNTON PURKIS

The author of the following article is a Toronto advertising expert who spent several weeks in Russia during the past summer, studying business phrases of the Soviet picture. He has already contributed several interesting articles on Russia

There is a story which aptly illustrates the point of what I am about to write concerning Soviet foreign trade. A lawyer went to see a man in a jail. After listening to his client, the lawyer said, "They can't put you in jail for that." "Nevertheless, they have," said his client.

Thornton Purkis

When the Five Year Plan of the Soviet Union was announced, world opinion said it was fantastic and its accomplishment impossible. Nevertheless, the fantasy has become a reality and the impossible become probable. What is the result? World-wide agitation against Soviet foreign trade, sometimes referred to as "dumping" not only of natural products such as lumber and oil, but of manufactured goods. There are still those who attempt to pooh-pooh the U. S. S. R. trade expansion into foreign markets while concurrently asking for an economic boycott of it.

Play One Against Another

In the conduct of foreign trade, it would appear that the Russians are astute. They have so organized themselves as to insure a complete monopoly of their foreign trade. If they take a loss on the "swings" they hope to make a sufficient profit on the "roundabouts" to leave a balance in their favor.

They have adroitly played off not only international jealousies but even the interests of one group of manufacturers against those of another group within the same country. Let me quote examples: France is probably the strongest Anti-Soviet power in Europe. Nevertheless, the French have not hesitated to buy Russian oil in enormous quantities and so partly release themselves from dependence upon American, Dutch and British sources of supply. The Italians have not hesitated to take large quantities of Russian coal and upset the British coal exporters.

As an example of their playing off groups within national boundaries, let me cite that the cotton spinners of Lancashire have been loud in their complaints about Russian manufactured cottons invading the Indian market. Nevertheless, the manufacturers of textile machinery in Lancashire have sold vast quantities of equipment to Russians to enable them to compete against Lancashire cotton spinners. These machinery manufacturers have no intention of curtailing their sales to the Soviet Union if they can possibly help it and they are deaf to the complaints of their fellow Lancastrians. So it goes.

In Canada while the Ottawa Conference was in progress it is hard to believe that the Canadian government were not fully aware that a transaction was in progress of completion, whereby a Canadian manufacturer was selling his product to the Soviet Union. And why not? The progress of the Soviet Union is not going to be halted by Canada's refusal to trade with them.

U.S. Industry Asks Loans

Within the past few days I read a news despatch to the effect that a group of American manufacturers were endeavoring to secure through the Reconstruction Finance Corporation at Washington certain credits that would enable them to accept Russian orders. They advanced as their reason that, unless they could obtain these credits, these orders would be placed with European manufacturers because European governments were assisting them with credits, as they are, without exception.

As far as I can judge, the Soviet Union in developing foreign trade, has pursued a course that differs very slightly from that originated by the German government and German banks which, through financial aid to German export cartels enabled the great industries of Germany to make tremendous strides in the development of foreign trade from 1897 to 1914 and from 1919 down to the present . . . the joke being that since 1920 Germany has borrowed most of the money to reestablish her foreign trade, from Americans, Canadians, and Britons.

What is any government's bonus to shipping other than state aid to foreign trade development? Even the Canadian government has ventured into the mercantile marine business and are still owners of some unprofitably operated ships that ply between Montreal and the West Indies.

Ruthless Realists

One difference between Russian business men and the business men of other countries is that the Russians are ruthless in their realism whereas others are realists and just as ruthless but won't admit it. In North America we try to conceal this ruthlessness by a lot of talk about "ideals."

A despatch the other day said that 20 men in the higher councils of the Soviet Union had been dismissed. This is an example of the ruthless realities of the powers that be in Russia. The Communist Party is simply resolved not to let any persons or set of surmountable circumstances interfere with their determination to erect a socialist state.

I have before me an address entitled "On the Threshold of the Second Five Year Plan" delivered by D. Marchenko at the Seventeenth Conference of the Communist Party of the Soviet Union. Divorced from certain verbiage about the "Bolshevik tempo of development in national economy" the essence of it is summed up in a speech by Stalin. This is what he says:

"Slackening speed means going back. The backward are always beaten. We are resolved not to be beaten. In the past we did not and could not have any fatherland. But now that we have a working class government, we have a fatherland, and we will defend its independence. Do you want our socialist fatherland to be beaten and to lose its independence? We are 50-100 years behind the advanced countries. We must cover this distance in ten years. Either we do this or other countries will crush us. The socialist system of economy ensures a Bolshevik tempo of development. The working class is in power, and the implements and means of production are the property of the proletarian state. Industry is controlled not by the capitalist principle of competition and profit-hunting, but by a social plan, directed toward the systematic improvement of the material and cultural level of the toilers. We must turn possibilities into realities. This transformation cannot happen of itself. It demands resolution, striving and struggle on the part of all."

Competition for Canada

The Soviet Union has barely commenced to show what it can do when it comes to world trade. It has weathered the four most crucial years of the Five Year Plan and is on the threshold of a Second Five Year Plan . . . and in the life of nations, five years is a very short period.

In my judgment Canadians should be greatly concerned about Soviet export trade because the Soviet Union is already one of Canada's strong competitors. In a few years, they will be stepping into the newsprint industry.

See Anti-Soviet Influence

The Soviet policy of expanding Foreign Trade was clearly enunciated by M. M. Litvinoff, Commissar for Foreign Affairs, when he said:

"We do not conceal the fact that as our work of economic development is carried out, we should like to be in a position to expand our intercourse with other countries. As the work progresses, it widens even more the possibility of utilizing foreign technique, foreign labor, the products of foreign industry, and even some foreign raw materials.

"However, there are the opposing aspirations of certain hostile capitalist groups, who are waging a campaign designed to cut off economic intercourse with the Soviet Union. Their efforts are directed against our exports, but in fact they are aimed at our foreign trade as a whole, since a reduction of our exports would be bound to bring about a corresponding reduction of our imports. The interdependence of imports and exports through foreign exchange transactions is so obvious that there is no need to dwell on this point.

"The governments that support this campaign, which originates with small interested groups competing with our export trade, and that raise artificial barriers, legislative or other, against the imports of our raw materials and other goods, must not be so naive as to imagine that those measures are not going to cause a reduction or a discontinuance of our imports from those countries. We feel sure, however, that all those anti-Soviet campaigns are doomed to failure, since they are bound ultimately to injure not only our interests but, to an even greater extent, those of such countries as might join in these campaigns."

Loss to Manufacturers

Appearing at the hearing of the Committee of the House of Representatives in Washington on the Kendall bill aiming to bar the major imports from the Soviet Union, Seymour Lowman, Assistant Secretary to the Treasury, is reported to have made the following statement:

"It (the banning of Soviet imports) would mean the loss of about $120,000,000 a year in our trade with this nation, for they are human in spite of all the stories that you hear to the contrary, and they will certainly not buy from a country that does not buy from them."

Banker Supports Trading

In discussing the proposition urged by Sir Henri Deterding that the Western powers boycott Russia with a view of causing "the collapse of the Soviet regime," George E. Roberts, economist and Vice-President of the National City Bank, makes the following statement:

"One of two results would certainly follow such a policy. Suppose it succeeded and the Soviet regime were destroyed, what would ensue in Russia? Obviously, chaos and general hell. Suppose it failed...what would result other than the loss of the Russian market by the rest of the world? Only the devil's economics could dictate such a course, for even should Russia's fondest dreams of industrial efficiency be realized, it would but make her the greatest purchaser of the products of other nations that the world ever saw. That is the very nature of trade."

Advocates Resumption

From the foregoing it may be inferred that I advocate the resumption of trade relations with Russia, assuming that the Soviet Union are agreeable. I do. At the present time a number of Canadian manufacturers would benefit considerably from Russian orders and no doubt could make the financial arrangements necessary to care for them.

It may be asked: "What do you know about foreign trade?" Possibly "very little." But I have been an interested observer of the course of foreign trade for twenty-five years and confess to writing a thesis upon it which gained an international prize. Curiously enough, the title of that thesis, which was written as far back as 1910 was, "Planned Economy in Foreign Trade." When I came to Canada in 1912 I endeavored to interest a number of Canadian manufacturers in the development of trade opportunities in South America and the Far East. I didn't succeed. Previously I had tried, to develop the same idea in the United States. For some reason, a certain association of manufacturers in that country didn't take kindly to my idea—because I was a British subject. Subsequently the idea was borrowed, without acknowledgment, by one of their officials!

CANADA CEMENT OUTPUT DECLINES IN SEVEN MONTHS

Total Canadian Production Down 50 Per Cent to July

From Our Own Correspondent

MONTREAL.—Indicative of the situation surrounding Canada Cement Co., figures issued by the Dominion Bureau of Statistics show that sales of cement by Canadian producers in the first seven months of this year were down 50 per cent from those of the same period in 1931. Production to the end of July, 1932, amounted to 2,764,893 barrels; in the corresponding period of the preceding year 5,649,697 barrels were produced.

July sales fell below those of June. Canadian producers had an output of 457,246 barrels in July, which compared with 566,992 barrels in the preceding month, and 1,111,253 barrels in July, 1931. In 1930, July sales were 1,512,929 barrels.

Decline Affects Earnings

The effect of this sharp decline in production finds reflection in sales and earnings of Canada Cement Co. which produces about 80 per cent of cement manufactured in Canada. The company suspended preferred dividend payments in August, but no figures on earnings have been made public during the current fiscal year which ends November 30.

Indications are that profits will fall well below those of the last fiscal period when gross earnings totalled $5,182,421.

Sir William Stavert Goes to Newfoundland

From Our Own Correspondent

MONTREAL.—Sir William Stavert has been appointed to succeed Sir Percy Thompson as financial adviser to the Government of Newfoundland. Sir William Stavert has been connected with banking for many years. Early in the century he was superintendent of branches for the Bank of Montreal in the Maritime Provinces and Newfoundland. From 1912 to 1915 he was president of Spanish River Paper Co. and Lake Superior Paper Co.

Sir Percy Thompson was loaned to the Newfoundland Government by the British Treasury Department and took an active part in directing policies of retrenchment along with R. J. Magor, who was active in reorganizing the government's commercial enterprises.

B. C. Telephone Places Common on 7% Basis

From Our Own Correspondent

MONTREAL.—Earnings of British Columbia Telephone have been relatively well maintained during the past few months but directors have decided to lower dividend payments on the common stock from the former annual rate of 8 per cent to a 7 per cent basis. Earnings last year were equal to $7.93 a share on the common after all charges; dividends at the rate of 8 per cent have been paid since the end of 1929.

Station losses have been kept at a low level. During 1931 the net loss was 943 stations; the number in operation at the end of the year totalling 116,413. This loss was less than the average sustained by other large companies in Canada and the United States. During 1932 loss is understood to have been slightly greater, but figures have not been made public.

Cover New Dividend

It is expected that revenue during the current period will be sufficient to cover the present 7 per cent disbursement. There are outstanding 45,000 shares of common; annual distribution will amount to $315,000 compared with $360,000 entailed in an 8 per cent dividend.

Over 99 per cent of the common is owned by National Telephone & Telegraph Corp., which in turn is controlled by Associated Telephone and Telephone Co. B. C. Telephone operates the principal telephone system in Southern British Columbia; control passed to present hands in 1927.

CANADA BUD BREW EARNS DIVIDENDS

Year's Requirements Met in First Nine Months—Summer Sales Down

Canada Bud Breweries Ltd. earned in excess of $190,000 in the nine months ended September 30, 1932, or more than sufficient to meet full dividend requirements of $1 per share payable on the 150,000 shares outstanding in the current year. Earnings are expected to be substantially increased during the last quarter of the year. Beer sales up to July 1 are stated to have shown a slight increase over the corresponding period in 1931, but sales for July, August and September were under those in 1931 and this decline is attributed by the management to cool weather and lack of tourist trade during the summer.

Sales of City Club Breweries Ltd. are stated to have shown a steady gain from month to month. In March, 1932, this subsidiary of Canada Bud Breweries Ltd. commenced brewing a new line which will be ready for the market during November. Charles E. Kiewell, managing director of Canada Bud, states that taking into consideration business conditions in general in 1931, it is felt that Canada Bud has made a very good showing both as to volume and earnings. Any upturn in business is expected to be reflected in larger volume and earnings.

In the year ended December 31, 1931, the company showed net operating earnings of $328,436 and miscellaneous revenue of $5,697 giving total earnings of $334,133. Provision for depreciation amounted to $65,355 and provision for interest, exchange, and bad debts was $7,574 and reserve for income tax $26,018. The net profit of $235,186 shown amounted to $1.57 per share.

Loblaw Sales Show Seasonal Increase

Sales of Loblaw Groceterias Co. in the four weeks ended September 17, are reported at $1,033,620 as compared with $1,003,232 in the preceding period and $1,091,951 in the corresponding period of 1931. Net profits in the four weeks ended September 17 are reported at $59,876 as compared with $58,407 in the preceding period and $63,576 in the corresponding period of 1931.

Sales in the 15 weeks ended September 17, were $4,144,145 against $4,424,965 in the corresponding period of 1931, a decrease of 6.3 per cent. For the same period net profits amounted to $235,502 in the current year as against $254,438 in 1931, a decrease of 7.4 per cent.

Sin-Mac Bondholders Lack Plans for Future

From Our Own Correspondent

MONTREAL.—No plan of reorganization has yet been drawn up by the bondholders committee of Sin-Mac Lines. The company continues to operate but until earnings for the year have been established it is not expected that any definite proposals will be set forth.

Greater activity in lake shipping has worked in favor of the company but salvage operations have been negligible this fall. In the latter phase of the company's activity lies substantial revenue; it is possible that more work in this division will develop before the close of navigation.

The company has outstanding $1,381,500 of 6 per cent first mortgage bonds on which interest due October 1, 1931, has not been paid. Sin-Mac Lines operates a fleet of tugs and territory served extends from Port Arthur to the Atlantic Seaboard.

BUYWELL MARKETS EARN DISBURSEMENT

Interim Statement Covers Thirteen Weeks Operations

From Our Own Correspondent

MONTREAL. — Interim statement issued by Buywell Food Markets covering thirteen weeks operations from June 20 to September 13 shows net profit of $1,212 or the equivalent of 3.60 times preferred dividend requirements for the period under review.

Balance sheet shows total assets of $164,516. In assets, cash as at September 17 totalled $7,267 and accounts receivable, less reserve, were $13,102. Claims against Stanford's, Ltd., in bankruptcy, less reserve, are shown at $4,350 and fixed assets less depreciation are carried at $103,573.

In liabilities, accounts payable total $23,725. Of 50,000 shares of authorized preferred stock there were issued and paid up 1,902 shares. These are carried at par value $10 each. All the 200,000 common shares of no par value are assured.

Buywell Food Markets is a successor to Stanford's Ltd., in bankruptcy. It is the stated intention of the management to continue its policy of operating along conservative lines.

Mackinnon Steel Corp. Earnings Show Decline

From Our Own Correspondent

MONTREAL.—Earnings of MacKinnon Steel Corp. in the fiscal year ended July 31, 1932, are expected to reflect the slackness which has prevailed in the construction industry in the past year. Late in 1931 the company secured a $200,000 contract for structural steel work on a bridge at Yamaska East; but it is understood there is little activity at the company's plant at present.

Forthcoming balance sheet, however, is expected to show liquid position well maintained and a satisfactory financial situation. Dividends on the $550,000 of 7 per cent preferred stock have been maintained regularly; net profit in the preceding year was equal to $5.87 a share on the preferred.

Dominion Stores Sales Are 10.7 p.c. Under 1931

Sales by Dominion Stores Ltd. in the five weeks of September, 1932, are reported at $2,138,464 compared with $2,550,043 in the corresponding period in 1931, a decrease of $411,579 or 16.14 per cent. In the 40 weeks ended in September sales totalled $17,498,118 compared with $19,606,353 in 1931, a decrease of $2,108,235, or 10.7 per cent.

While sales are under the 1931 level, September figures show an improvement over sales during August. In the August period of four weeks sales totalled $1,540,982, or $385,245 per week against an average of $427,608 per week in September.

Obituaries

The death occurred in London last week of John George Richter, widely known as president of the London Life Insurance Company and the Ontario Loan and Debenture Company.

Born in Waterloo County, Sept. 18, 1854, he was identified in his early years with manufacturing interests in Oxford County and in 1883, came to London as manager of the London Life. He was general manager of the company for 37 years, retiring from active management in 1920 to become vice-president. In 1928 he was elected to the presidency to succeed the late Dr. A. O. Jeffery.

Mr. Ritcher was a director of the Ontario Loan & Debenture Company for 13 years and last year was elected to the presidency.

High tribute to Mr. Ritcher was paid by E. E. Reid, managing director of the London Life. He said in part:

"Having spent practically 50 years of active service in the interests of the company, the traditions and the basic principles of the London Life were all wrapped up in his life.

"One of Mr. Ritcher's outstanding achievements was the establishment of the industrial branch of the company, which he accomplished most proficiently and without great capital outlay."

A. E. Richardson—formerly city manager of Winnipeg branch No. 1 of London Life Assurance Co. died Oct. 8. The late Mr. Richardson joined the staff company as an agent 20 years ago. He held the position of city manager at Winnipeg for 13 years.

Craig, Luther to Pay Dividend of 33 1/3%

From Our Own Correspondent

MONTREAL.—Unsecured creditors of Craig, Luther and Co., stock brokerage firm in bankruptcy, will receive an initial dividend of 33 1/3 per cent according to Robert Wilson, trustee for the estate. Dividend will be payable October 31 until which time dividend accounts will be held open to objection.

A statement shows receipts from June 2 to October 2 totalling $529,303. After disbursements to senior creditors, a sum of $72,977 is available for unsecured creditors and other obligations of the estate. Payment of the dividend requires $46,138 After other accounts a balance of $6,412 is left with the trustee.

Claims totalling $117,622 are listed for the payment.

Magor Car Corp. Elects Three Directors

From Our Own Correspondent

MONTREAL.—Robert J. Magor, of Montreal, M. H. Coggeshall and A. Van Hassel, of New York, have been reelected directors of the Magor Car Corp. for the ensuing three years.

Canadian Home Journal
The National Home Monthly
Maclean's
"Canada's Greatest Magazine"
Chatelaine

Canada's Own Magazines have gained their rightful place

TIME was when certain magazines published in the United States had in Canada a larger circulation than any of our own magazines.

That time is past and gone.

Today, each one of the five magazines listed on this page has, individually, a larger net paid circulation, by many thousands, than that of any magazine coming here from any other country.

Canadian Home Journal and The Chatelaine each has at least 50% more circulation than has any women's magazine coming in from the United States.

Canadian Magazine, The Western Home Monthly, and Maclean's Magazine each far outstrips in net paid circulation, the Canadian distribution of any United States magazine, no matter what its class or character.

If there are still any manufacturers or advertisers who are under the impression that Canada has any lack in the way of important magazines, or whose knowledge of the advertising situation is based on conditions of a few years ago—

Then it is time to bring your information up to date.

The fact is that in proportion to population, the leading magazines in Canada offer today a quantity as well as a quality of magazine circulation, fully equal to that usually employed by advertisers in the United States to cover that country.

With a net paid circulation totalling more than 780,000 copies each issue, the five magazines listed on this page now provide a coverage of better than every second urban home from coast to coast. Their circulation is more than two and one-half times what it was ten years ago. Their prestige and influence have been enhanced accordingly.

The use of the leading magazines of Canada will give manufacturers national publicity of a character and value which cannot be equalled through any other form of advertising at anywhere near the same low cost.

In Canada the trend in advertising is toward the national periodicals

These five magazines are of uniform page size: all are ABC audited: and all are members of the Magazine Publishers Association of Canada, 204 Richmond St. W., Toronto

Featuring the Food Securities

SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXVI Member of Audit Bureau of Circulations PUBLICATION OFFICE: TORONTO, OCTOBER 22, 1932 10c a Copy; $5.00 a Year No. 43

SOME HOPE IN PROSPECTS FOR MILLERS

Fundamental Position of Industry Slightly Stronger

HOUSES IN ORDER

Preference in U. K. Market Should Prove Benefit to Exports of Flour

For the first time in the past two years there appears to be a tendency toward improvement in the flour milling industry in Canada. The improvement does not lie in more active operations and shipments but rather in the fundamental situation surrounding the industry.

In the first place the milling companies which sustained severe losses two years ago have placed their houses in better order. The crash in the wheat market in 1930 played havoc with inventories, and income accounts showed substantial reduction in earnings which in former years had been upheld at good levels. Most of the debris resulting from the shock of 1930 has now been cleared up and the financial position of the large milling organizations has been improved.

Position in Britain

Continued free entry into the British market, lends added stability to the Canadian millers position. Exports to the United Kingdom play a substantial part in total volume of Canadian flour exports and a confirmation of the principle of free entry, as fought for at the Ottawa Conference, should enable millers to strengthen their status in the British market.

Economies Are Effected

Other favorable features comprise the drastic economies which have been placed in effect at the various plants. Faced with dwindling exports, which play a vital part in total results, the Canadian industry has had to slash costs to the lowest possible point to operate at a profit. Obsolete mills have been closed and considerable sums have been lopped off operating expenses.

Operations Still Unsatisfactory

Despite the fact that there is a glimmer of improvement in the basic situation, the milling industry is still faced with many problems. Plant capacity is far in excess of consumption and mills have been operating at levels below 50 per cent of capacity. Domestic consumption has held up fairly well, but conditions in the export market have been unsatisfactory.

Since shipments for export are so necessary to satisfactory operations, there has been a fierce battle for orders in markets abroad. Price-cutting has developed on a wide scale; at one time companies were accepting business at a loss in their efforts to further sales. Exchange variations have also made for difficulty; the result has been that export business has fallen to unprecedent levels.

Lowest in 10 Years

The following table indicates to what extent exports have declined in the past ten years:

	Production Barrels	Exports Barrels
1921	15,321,759	6,017,082
1922	18,055,010	7,414,282
1923	19,075,814	10,227,060
1924	21,076,733	11,714,929
1925	17,769,071	11,029,227
1926	19,056,162	10,084,974
1927	18,787,312	10,147,705
1928	20,889,542	9,387,273
1929	19,756,422	11,405,728
1930	16,594,343	7,514,978
1931	15,502,221	5,697,224

Baking Subsidiaries Drag

Unfortunately there has been no improvement in a situation which has caused milling companies much worry in recent years; namely, their large investment in the baking industry. Within the past five years, as exports began to fall off, milling companies devoted much effort to extending their domestic outlets for flour through the acquisition of bakeries. In some cases prices out of relation to real values were paid in the scramble to obtain bakery units; now each one of the large milling industry organizations controls a string of bakeries.

These baking chains, it is true, provide a sales channel for the parent company's products and in that way domestic business has been maintained at a relatively even level. But investments made in the bakeries have not proved profitable, broadly speaking, since price-cutting and competition in that industry has narrowed profits to a slim margin.

Faced With Big Problem

The milling industry has undoubtedly been faced with difficulties over which it has had no control. An economic situation of unprecedented character has upset previous theories; Russia, too, has dumped flour into export markets at prices which the Canadian miller could not hope to compete with. Exchange fluctuations have filled the export business with hazards; the industry, in short, has had to contend with factors which have afflicted all industry for the past three years.

There are, however, some factors which milling companies might control. From time to time the companies' executives have been brought together to discuss some form of agreement by which stability might be injected into the domestic market and ruinous competition, which has hampered progress, might be alleviated. To date these conferences have proved abortive; it would seem that the time is coming when some agreement will have to be reached if the industry is to regain the standing which has characterized its remarkable progress as one of the greatest industrial efforts in Canada.

Packing Industry Hit By Declining Prices

Future Price Trend Uncertain, But 1932 Trend More Stable Than 1931 — Bacon Exports Show Big Increase

The slaughtering and meat packing industry is one of the chief Canadian industries in point of value of production and ranks with pulp and paper and flour and grist milling. Outstanding within the industry are Canada Packers Ltd. in the East and Burns & Co. in the West. Profits of these companies have fallen off sharply in the last two years in line with the downward trend of meat prices in this period and Burns & Co. has been unable to earn its fixed charges.

Both Burns & Co. and Canada Packers Ltd. were adversely affected during 1931 by severe declines in commodity prices which affected the entire industry. From a January high of 92.1 the price index of producers' goods in the packing industry declined to 66.5 in December. While further declines have taken place in the early part of the current year there has not been the same degree of fluctuation in 1932 as existed in 1931. The following table shows the trend of prices during 1931 and 1932 in the form of a price index compiled by the Dominion Bureau of Statistics. Prices during 1926 were taken at 100.

	Wholesale price consumer goods meats & poultry		Producers goods packing industry	
	1932	1931	1932	1931
Jan.	58.8	89.6	66.7	92.1
Feb.	55.7	84.5	65.9	82.2
Mar.	55.6	78.9	65.7	81.1
Apr.	54.0	77.3	64.7	78.6
May	54.4	75.9	64.9	77.9
June	53.8	72.6	66.7	76.0
July	53.8	72.6	66.9	78.0
Aug.	55.6	73.8	65.5	76.1
Sept.	54.7	65.7	60.8	71.1
Oct.	...	62.2	...	66.8
Nov.	...	58.9	...	65.5
Dec.	...	57.1	...	66.5

Strengthening in prices is of greatest importance to the packing industry but it is difficult to predict future trends.

Improved purchasing power in Western Canada as a result of the 1932 wheat crop may tend to improve the position of packing companies operating in the West, while the British Empire preferences drawn up at the British Empire trade conference in Ottawa are expected in some quarters to have a beneficial influence on the Canadian export market but this market cannot be fully developed for some time.

The Canadian packing industry is given preferences in the British market on bacon, beef, cattle, milk products, poultry and eggs. Following a reorganization of the pig industry in the United Kingdom provision will be made for the authoritative regulation of supplies of bacon and ham coming into that market and free entry of Canadian bacon and hams of good quality will be granted up to a maximum of 2,500,000 cwt. per year. In order to take advantage of this market, co-operation will be necessary between Canadian packing companies and a stable supply of hogs must be supplied by Canadian farmers who are expected to increase production to 8,500,000 hogs per year by 1937 which would permit an export volume of 300,000,000 lbs. of bacon and 10,000,000 hogs by 1942.

During 1931 Canadian packers exported bacon to England for the first time in two years and exports have continued on an increasing scale in the current year. As an example, in the year ended August 31, 1932, Canadian exports of bacon and hams totalled 34,308,700 lbs. valued at $3,837,045 as compared with exports of 860,480 lbs. valued at $1,883,645 in the corresponding period in 1931. The largest proportion of exports during the past year have been to the United Kingdom.

In addition to free entry for bacon and hams restrictions on the importation of live cattle from Canada into the United Kingdom will be removed and should result in an increased trade. The proposed treaty is expected to result in a general increase in the price of creamery butter and on cheese as on most other dairy products, Canada will enjoy free entry into the British market for a period of at least three years. A preference margin of 15 per cent is to be maintained during the life of the agreement. A free entry to the United Kingdom of Canadian eggs in the shell for a three-year period is provided while there will be certain specific duties against foreign eggs.

The long term outlook for the Canadian packing industry appears to be brighter than for some time although effect of improved conditions may not be shown for the current year. Much will depend upon the trend of commodity prices and while there has been a considerable increase in the sale of hogs during the current year there has been considerably less livestock sold than in 1931.

OGILVIE FLOUR COVERS DIVIDENDS DURING LAST YEAR

Redemption of Funded Debt Reflected in Report

From Our Own Correspondent

MONTREAL. — Earnings sufficient to cover the dividend on the common stock, elimination of the bonded debt, and a decline of about $2,200,000 in net working capital, are features of the report of the Ogilvie Flour Mills Co. for the 12 months ended August 31, 1932.

The income statement for the past year shows profits from all sources, less depreciation of bond interest of $744,936. This compares with $755,149 in the preceding year. Preferred dividends required $140,000 and common dividends $600,000, leaving a balance of $4,936, which was added to the previous balance of $3,172,298.

Register Small Surplus

Particulars of the income account for the past two years follow:

	1931-32	1930-31	1929-30
*Net prof.	744,936	755,148	1,127,136
Divids.	740,000	740,000	1,115,000
Surplus	4,936	15,148	12,436
Pr surp.	3,172,298	3,157,149	3,144,713
P. and L.	3,177,234	3,172,298	3,157,149
E. on com.	8.06	8.20	13.16

*After deducting depreciation and income tax.

Working Capital

	1932	1931	1930
	$	$	$
Cr. assets	9,411,690	11,574,109	16,115,258
Cr. liabs.	2,718,359	2,730,723	4,816,973
Wk. cap.	6,693,331	8,843,986	11,298,285

Retire All Bonds

Examination of the balance sheet as at August 31, 1932, reflects redemption of the company's bonded debt, amounting to $2,350,000 on June 1 last. Consequent upon this deal, the preferred stock now ranks as the senior capital charge of the company.

Among assets, the book value of investments shown in the current report is $7,319,719 as against $7,829,445 on August 31, 1931. At the former date these investments, based on market prices for listed securities and "a conservative valuation for unlisted securities," had a value of $6,363,072.

Bank Loans Unchanged

There is relatively little change among other assets of the company, while among liabilities, bank loans are shown unchanged at $800,000. Accounts payable, including provision for Federal Income Tax is virtually the same as a year ago, at $1,710,474.

Comment on Operations

Commenting upon operating conditions for the past year, W. A. Black, president, had the following to say in part:

"Business, I regret to say, has been exceedingly difficult during the past fiscal year.

"Export sales showed a very sharp falling off, and the prices realized were most unsatisfactory, as a result of mills in other countries being able to procure their wheat supplies, from sources other than Canada, at lower prices than Canadian mills had to pay for theirs.

"This condition also resulted in a large carry-over of wheat in this country.

"It is hoped, however, as a result of the recent Imperial Conference, our export trade within the Empire will soon begin to show some improvement, since such small exports have, in turn, affected the domestic markets, where competition has been so intensified that prices have declined to an entirely unremunerative basis. Nevertheless, your company, due to the excellence of its products, has been able to increase the volume of its domestic business.

"The investments of your company have suffered a substantial decline in value, and the income from same has also declined considerably, but, with a revival in general business conditons, both the value and the income should return to normal.

"Expenditure for capital account during the year were limited to sundry small additions to the plants, which were maintained in first class condition; and it is interesting to note your plants and properties are shown on the balance sheet at a figure which is only little more than one-third of their depreciated replacement value."

New Westminster Trade Reached $9,714,000 in 1931

There were 270 retail merchandising establishments in New Westminster, B.C., in 1930. The sales were $9,714,000, 924 persons employed, paid $1,091,900. In the food group there were 112 establishments, $2,162,500 sales, 180 employees, $183,800 payroll.

In the service field there were 90 establishments with $687,000 receipts, and $245,200 payroll. The domestic service group, including laundries, had 9 establishments and $167,000 receipts.

Of the 270 retail stores, 23 were single store independents. Sectional and national chains had 30 branches in the city.

Bread and Baking Industry Very Important to Canada

In Canada there were 2,697 establishment with a capital investment of $51,914,170 for making bread and other bakery products in 1930, the last year for which statistics have been compiled by the Dominion Bureau of Statistics. In the same year there were 280 establishments with a capital investment of $54,406,093 making biscuits, confectionery, cocoa, chocolates and chewing gum. There were in addition 14 establishments with a capital investment of $8,430,940 making breakfast foods and 13 establishments with a capital investment of $1,835,319 making macaroni and vermicelli.

The making of bread and other bakery products employed 17,736 Canadians for salaries and wages of $19,444,533. The cost of materials was $36,582,843 and the gross value of products $73,594,894. In factories making biscuits, confectionery, cocoa, chocolates and chewing gum there were employed 12,291 persons getting salaries and wages of $11,104,688. The cost of materials for this branch of the industry was $25,044,901 and the gross value of products $58,059,602. Breakfast foods were sold for a total amount of $6,599,442 and the cost of materials was $2,553,523. Salaries and wages of $611,645 were paid to 452 employees. Gross value of macaroni and vermicelli produced was $1,246,147 and the cost of materials was $726,478 and salaries and wages $166,311 to 240 employees.

FLOOD OF MILK LOWERS PRICES COAST TO COAST

Producers Claim Profitless Operation, Distributors Fractional Profit

CHEESE GOVERNS

World Prices for Dairy Products Now Fix Levels for Canadian Farmers

Prices of milk continue at a lower level than for 20 years in most parts of Canada because of heavy over-production as compared with actual consumption in the home market. With the United States market for cream and butter shut off a few years ago by high duties, with beef prices falling to lower levels and with other farm products produced in many cases beyond market requirements, farmers turned to the cities and milk consuming centres in ever-increasing numbers as the surest and quickest source of cash.

The inevitable happened. Dairy producers near cities, people belonging to milk producers associations, did their best to stem the tide. They felt that the experience which they have in the business, the care which they have taken of their herds, their heavier taxes, and the fact that they purchase more from city merchants than do those farther away should count in their favor. It did do so. Distributing organizations in the cities, other things being equal, have always favored their old suppliers. But other things were not equal. More and more farmers were ready to sell their milk at prices under levels obtaining in different cities and even members of associations contributed at times to the debacle by selling their surplus milk to rival concerns for less money than they had obtained for the bulk of their product.

Eastern Canada Has Glut

The greatest amount of overproduction is in Eastern Canada. All the other avenues for selling milk, that is, through manufacturing it into butter, cheese, milk powder, condensed milk, have all been explored, and still the tide of milk rises. The Toronto distributors, for instance, now pay $1.45 per 100 pounds to those who supply them but are continually being offered milk below that figure. For years dairy farmers living near the city have felt that the market was definitely theirs, but the making of good roads all over Ontario and the development of swift motor trucks enables milk farmers from very long distances to bring their milk into the city.

Milk Prices Seek Level

The market for milk for beverage purposes cannot be considered longer as separate from other markets for milk products. There is now definitely established a relationship between milk when sold as butter, cream and cheese and when sold for drink in the cities after being pasteurized and thoroughly cleaned. The farmer will offer his milk in the best market and this inevitably tends to bring the price of milk as beverage down when it is out of line. To the dairy farmer near the city a price of $1.45 per cwt. seems low but to the farmer out further who can get only 65 cents per cwt. from the butter or cheese factory that price is a great attraction.

There is balm in the thought that these low prices are definitely improving the chances for Canadian and especially for Ontario cheese, in export markets. Ontario cheese, it is reported, is definitely preferred to other brands of foreign cheese by British buyers to a growing extent. Every export outlet developed for butter or cheese relieves the home situation to that extent.

A few years ago Canada had to import butter but today there is enough milk for Canada to supply all local requirements and ship abroad as well. That was because there were then more profitable outlets to the energies of farmers. It is predicted that when better prices are gained in other departments of the farmers' business they will pay less attention to milk and the least profitable herds will be converted into meat. Then milk will automatically go higher. The recent treaty with Great Britain is expected to enable the British to absorb a great deal more of Canadian condensed milk. Ontario cheese is at a premium in Great Britain but exports of New Zealand and Australia will have to be taken into consideration, especially if it is offered at lower prices.

Some Difference Justified

The growing standards of creameries, cheese factories and milk powder factories also contribute by ensuring a higher quality of milk in outlying districts so that dairy farmers near the cities get increased competition because of that fact. At $1.45 per 100 pounds there is a differential in favor of sending milk to the cities. Probably the farmer gets out of that price about $1.05 per 100 pounds. Distributors say that about 20 cents per 100 pounds is justified by reason of the fact that cheese factories, which pay 65 cents per 100 pounds, take every drop of milk their customers offer while distributors in the city take only up to their requirements and occasionally have to ask farmers to hold back. There is at present a difference of 40 cents per cwt.

Consumer Rules

Despite the great falling off from war-time and post-war prices, milk is still one of the best mainstays of the farmer. It has not fallen in price as much as have other products. On the whole farmers and distributors have felt their interests to be identical and both have bowed to the inevitable so far as present prices are concerned. The consumer, whose purse too often also has been straitened, rules.

City health departments have remained as exacting in their requirements. Veterinary inspectors inspect every herd sending milk to the city and see that the premises are in a sanitary condition. Some of the larger companies maintain their own inspection service in addition to that of the city.

Co-operatives Miss Fire

Considerable interest has been taken by farmers in various co-operative schemes advanced. Farmers see, for instance, themselves getting about 2¾ to 3 cents per hundred pounds for milk and dairy companies charging 10 cents a quart for milk to their city customers. Making considerable allowance for costs of securing business, for pasteurizing, for bottling, for breakages, for delivery, for collections, farmers in many districts have felt that there must be a large profit for dairy companies. They felt they might as well have that profit and so came co-operative dairy companies.

Experience to date of such companies has been sobering. They are beginning to realize that distributors told the exact truth when they said that their profits amounted to a fraction of a cent a quart, and that the manufacturing delivering and servicing processes after milk is received really do cost much more than the actual milk itself.

Co-operative companies have faced this dilemma. If they wanted to get business away from the old-line companies they had to offer milk at lower prices, but then they could not stay in business long unless farmers were paid less than the old-line companies paid. If, on the other hand, they paid their farmers according to promise more money for their milk, such companies found that they could not long continue delivering milk as cheaply as the old-line companies.

There have been price wars in various parts of Canada, particularly in Winnipeg where it obtained such fierce proportions that dairy farmers threatened a strike and the Public Utilities Commission was given the job of naming and maintaining prices. How that will work out is now a matter of general interest throughout Canada.

Wholesale Prices of Foods, Beverages and Tobacco

(Index Figures with 1926 = 100)

	Jan. 1930	Jan. 1931	Sept. 1931	Jan. 1932	June 1932	July 1932	Aug. 1932	Sept. 1932
Foods, beverages, tobaccos	103.4	79.9	66.9	63.6	59.7	60.9	61.1	61.8
Beverages	90.6	71.8	67.5	70.7	69.4	69.4	69.4	69.5
Flour and milled products	95.3	60	50.9	58.7	55.8	54.8	55.6	63.5
Bakery products	101.4	83	81.9	81.9	81.7	81.7	81.7	81.7
Fish	104.8	84.7	73.4	71.9	64.5	63.8	61.9	61.3
Fruits	108.9	92	105.1	79.1	82.6	85	83.1	82.9
Meats and poultry	106	89.6	65.7	58.8	53.8	55.7	55.6	54.7
Milk and products	110.6	87	66.5	65	55.4	54.7	56.5	60.6
Sugar and products	89.8	77.5	77.3	77.1	72.2	73.8	73.7	73.7
Vegetables	116.3	55.2	42.8	32.7	37.3	51.7	46.1	43.4
Eggs	127.9	88.1	73.6	67.2	49.7	51.0	54.9	65
Tobacco	68.1	68.1	50.3	50.3	50.3	50.3	50.3	50.3

Retail food prices at a somewhat higher level kept a rough correspondence with the indexes shown above. Wholesale prices started on the down-grade first, followed more slowly by retail prices, which accelerated their rate of descent, however, later in 1930, 1931 and 1932. It will be seen that in 1932 most prices resisted the downward tendencies and this was true for retail food prices as well as for wholesale food prices. The rate of decline in food commodities was considerably greater than in other commodities.

Comparing the wholesale and retail indexes, one notes that wholesale prices of raw materials for foods alone advanced from 97.8 to 114.2 during 1929 to December, while retail prices went up from 100.3 in January to 104.8 in December, 1929, and 106.5 in January, 1930. Retail food prices then declined along with wholesale food prices until the index stood at 71.4 in October, 1931, 69.6 in January, 1932, 61.4 in July, 1932, and 63 in September, 1932. There has therefore been in two years and nine months a decline in retail food prices of from 37 to 43 per cent.

Canning Industry Gains Yearly in Importance

Fruit and Vegetable Packing Involves Enormous Investment — Excess Stocks Have Been Reduced.

The fruit and vegetable preparation industry is becoming yearly more important in the Canadian scene. Latest statistics, just made available, show that in 1930 the fruit and vegetable preparation industry, including canned fruit, canned vegetables, pickles, vinegar, jams and such products, had an output valued at $43,093,752, a capital investment of $46,135,025 and an employment of 10,651 persons who received $5,634,355 in salaries and wages.

As a result of the development of the canned foods trade, fruits and vegetables of many kinds are to be had at all times of the year with much of their original freshness and flavor. The development of this industry has been responsible for giving the producers in the country an enormous extension to their markets and consumers everywhere a greater variety of cheap and wholsome foods throughout the year.

Over-produced in 1929

During the period of 1923 to the end of 1929 the volume of fruit and vegetable preparation produced increased 121.4 per cent. During this time the foreign trade was relatively small as compared with the domestic production. Imports in 1930, for example, were valued at $6,819,532 and exports at $2,706,661. The domestic industry, therefore, supplies ordinarily about 92 per cent of the domestic requirements.

The 1929 production was undoubtedly too large for the market and the industry has been until this year marking time until the excess in certain lines such as peas, beans, tomatoes, corn, could be disposed of. During the present year those excess stocks have been greatly lessened and the industry's inventory position is now moderate with respect to the average market demand. In addition to this, a keen demand for Canadian fruit products has arisen in England, and ratification of pacts made at the Imperial Conference in Ottawa with all Empire countries is expected to be of considerable benefit to the Canadian industry.

Canning and Packing Increases

The Dominion Bureau of Statistics estimates in its last bulletin that 216 fruit and vegetable canning, evaporating and preserving establishments in 1928 had a capital investment of $27,920,624 with 7,470 employees to whom $3,364,931 was paid in salaries and wages. The cost of materials purchased by these establishments was $15,144,100 and the gross value of products $24,890,429. This increased considerably in 1929 but was somewhat less in 1930 and 1931.

There are in addition 62 establishments devoted to preparing pickles, vinegar and cider with a capital investment of $8,047,231 and 1,375 employees to whom there is paid in salaries and wages $1,321,771. The cost of materials was $5,054,480 and the gross value of products $10,423,293. This has nothing to do with a very much larger investment made by breweries, distilleries and wineries.

It may be noted that the gross value of the fruit and vegetable products canned in 1929 was $27,955,825 and of the pickles, vinegar and cider, $12,072,691. In 1930 the total gross value of products of fruit and vegetable canning, evaporating and preserving was $31,458,415 and of pickles, vinegar and cidar $11,635,337. An increase in capital of more than $7,000,000 was noted in these three years.

Imports are declining. Dried fruits were imported in 1928 to the extent of 96,523,165 pounds worth $6,309,144 and in 1930 to the extent of 73,930,570 pounds worth $4,786,193. The canned fruit imported in 1930 to the extent of 42,015,895 pounds showed an increase of about 2,200,000 pounds, but the value at $2,954,415 was almost stationary. Jellies, jams, preserves, and canned vegetables showed a decrease in this two-year period while fruit juices, pickles and sauces and other prepared foods showed an increase. In 1931 and 1932 the trend has been to further restriction of these imports, especially those received from the United States. There have been more purchases from Empire countries.

Exports in this category showed, covering all items, an increase from $2,511,826 to $2,636,361. The prospects for exports to Empire countries have been improved by the recent Ottawa conference.

Sugar Refineries Report Revival

The sugar refining industry in Canada, which received a great impetus during the war and reached its maximum in 1919, has in the last two years begun to show promise of greater prosperity after a ten-year interval of comparatively bad times.

At one time a considerable export business was done, but since 1925 exports have declined considerably. In 1930 the eight sugar refineries in Canada had a capital investment of $43,855,155 and a total production valued at $42,935,722. They employed 2,281 persons, who received $3,560,260 in salaries and wages and paid out $30,610,701 for materials. In 1930 exports were valued at $1,025,073.

The gross value of maple syrup and sugar for the same period was shown at $1,355,270. Total capital invested was about the same as annual production value.

Post is Life Itself To One Subscriber

Following is received from an Ontario subscriber, who sends in his renewal subscription:

"Cannot possibly live without The Financial Post. Cheque enclosed."

CHAIN STORES HOLD POSITION ADD NEW LINES

Stability of Earnings Has Characterized Chain Groceries

HAVE FEWER STORES

Sale of Motor Oil is Latest Development — Loblaw Extends Meat Department

Chain food stores have continued, during 1932, to show the same stability in earnings that has characterized this retail group throughout the entire period of depression which started in mid-1929. While some decline in earnings is evidenced by monthly reports the decline is no more than can be expected in view of the severity of existing economic conditions and those companies which entered the depression with a sound financial position and capitalization have continued payment of dividends and have added substantially to surplus.

During 1931 while dollar volume of sales declined the physical volume of business done was substantially over that of 1930, but this increase has not been in evidence during 1932. Physical volume of business, however, is still well in advance of 1930 levels and the chain food stores have continued to add a number of new lines in order to increase volume. One of the latest additions is the sale of 6 quart cans of motor oil by Dominion Stores and the Quebec division of the Great Atlantic & Pacific Tea Co.. The chain stores are always on the lookout for new lines which can be sold on a profitable basis and during the past year Loblaw Groceteria Co. has inaugurated and extended the sale of meats, though all the company's stores are not yet equipped to handle this line.

Some Stores Closed

While figures are not available at the present time the 1932 policy of the chain companies has been to consolidate operations in existing stores. Loblaw Groceteria Co. now has 107 stores in Ontario, a net gain of three during the year and a gain of eight since the fall of 1931. In the early part of 1931 the company did not increase the number of its stores. During 1931 Dominion Stores expanded and ended the year with 57 new stores. This company during the current year has opened several new units but has closed or combined others, and shows a small decrease in the number of units for the year. Great Atlantic & Pacific Tea Co. now has 296 stores in Canada, a small reduction from last year. The voluntary chain grocery stores of which there are a number operating throughout Canada have on the whole shown good progress during last year and in some instances, particularly in the Maritimes, have shown a remarkable increase in sales.

The chain store grocery business is largely a development of the last 10 or 15 years and expansion has been extremely rapid although the peak appears to have been passed and growth in the last three years has been largely slowed up. Enlargement and improvement of present stores is continuing as in 1931 and this aids in maintaining and building up the customer goodwill that can be expected to bear dividends in the form of increased sales and increased earnings when public purchasing power returns nearer to normal.

Chain candy stores have had a varied experience depending on the variety of lines carried. Lower prices on candy in effect during the past year has resulted in lower gross although unit volume has increased in most cases. Laura Secord Candy Shops Ltd., which retails candy only has maintained earnings at but slightly under the 1931 level despite the price reduction and shows a substantial increase in physical volume. Chains which handle ice cream have experienced lower sales volume due to a cool summer and tea room sales are down.

QUALITY and STABILITY

THE combination of these two sterling qualities has enabled this company to steadily forge ahead.

The past expansion is testimony to the fact that we enjoy the confidence and goodwill of a satisfied clientele. By maintaining quality, and consumer satisfaction, our stability is assured.

LOBLAW GROCETERIAS WE SELL FOR LESS A WORLD of RESOURCES

SELF SERVE CASH

LOBLAW GROCETERIAS Co. Limited

CASH & CARRY CARRIE

Milling, Baking Securities

WESTERN CANADA FLOUR MILLS

In Face of Restricted Export Business and Keen Competition Company Maintains Highly Liquid Position

Western Canada Flour Mills Co., which interrupted during 1931 its record of dividend payments made continuously since the inception in 1905, is not believed to have had sufficient improvement in net profits during the year which ended August 31, 1932, to permit resumption at an early date. Even if earnings, however, are no greater than the $175,431 earned in the preceding year, this would be sufficient to cover preference dividends of less than $159,000. That amount, however, was after drawing on the general reserve to the extent of $232,527 and after provision for depreciation and doubtful accounts amounting to $121,045.

The company entered its fiscal year with a strong working capital position and no bank loans. It has no funded debt, the last bonds having been paid off in 1925. It is one of the oldest and best regarded of the large flour milling companies of Canada; management and directorate have a high reputation; and the company can be relied on to get its share of whatever business is going. The export business has for some years been on a declining trend, and continued during 1931 and 1932 in restricted volume. As a result of preferences to be granted in Great Britain to Empire flour the company with others hopes that a larger business with the British Isles will be done.

The company owns and operates flour and cereal mills at Goderich, Ont., Winnipeg and Brandon, Man., Calgary and South Edmonton, Alberta, and Victoria, B.C., with a total capacity of 10,000 barrels of flour and 1,000 barrels of rolled oats, oatmeal and other breakfast cereal foods daily. It also owns 83 country elevators and 10 terminal elevators with a total capacity of 2,360,000 bushels. The combined total storage capacity is 4,760,000 bushels. Its entirely owned subsidiaries include: The Brackman-Ker Milling Co., Purity Flour Mills Co., Purity Baking Co., and the Dominion Salt Co. The salt division of the company has been operating satisfactorily.

Capitalization—	Authorized	Outstanding
Common (No par value).	150,000 shs.	135,000 shs.
Pref. 6½% cum. ($100 par).	$3,000,000	$2,413,000

Funded Debt—
None.

Dividend Record—
Preferred—6½% cumulative, payable 15 March, June, Sept. and Dec., paid regularly.
Common—None at present. Dividends paid on common from 1906 to 1931. Rate was $1.40 per annum quarterly from 1926 to March 15, 1931; none since.

Officers and Directors—
Officers—D. B. Hanna, pres.; A. J. Mitchell, vice-pres.; R. G. O. Thomson, sec.; R. A. Pridham, treas.; J. J. Page, gen. mgr.; J. H. Horn, asst. gen. mgr.
Directors—D. B. Hanna, A. J. Mitchell, Sir John Aird, R. G. O. Thomson, J. J. Page, J. H. Gundy, Toronto; Hon. G. H. Barnard, R. H. B. Ker, Victoria; Sir H. Laporte, Montreal; J. Davidson, London, Eng.

Earnings per Share and Dividend Record:

	1931	1930	1929
Pref.: Earned	$7.27	$9.07	$22.52
Paid	6.50	6.50	6.50
Com.: Earned	0.13	0.53	3.44
Paid	0.70	1.40	1.40

Seven Years' Earnings—

Year	†Earnings $	Dividends $	Surplus $
1925	319,032	230,000	582,981
1926	328,096	256,625	607,207
1927	388,797	282,670	713,334
1928	409,397	301,750	820,981
1929	556,352	321,722	1,005,612
1930	221,416	321,893	905,135
1931	175,431	252,249	828,317

†After depreciation, income tax and reserve for doubtful accounts in all years prior to 1931. In 1931, the figure shown represents profits for the year including transfer from general reserve and after provision for depreciation and doubtful accounts amounting to $121,045.

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common	8	5½	17½	6½	25	16
Preferred	60	54	96	70	104	89

*To Oct. 11.

INTERNAT. MILLING

Maintaining Excellent Liquid Position Despite Business Depression

International Milling Co. has managed in its international operations in Canada and the United States to maintain an excellent liquid position and comparatively favorable earnings in spite of the business depression. Its Canadian subsidiary, known as the Robin Hood Mills, operates the business of the company in Canada through the mills at Calgary, Moose Jaw and Saskatoon. The company also operates mills at four United States points and has a combined storage capacity at country and terminal elevators of 13 million bushels. Its working capital is strong, its liquid position high and its inventories not excessive. Most of its investments are in the industry.

Capitalization—	Authorized	Outstanding
1st pref. 7%	$5,000,000	
Original series		$3,606,300
6% series "A"		946,100
2nd pref.	1,000,000	....
Par $100.		
Common (n.p.v.)	150,000 shs.	100,000 shs.

Funded Debt—
None.

Dividend Record—
First Preferred—Original issue 7%, series "A" 6%, both cumulative, payable quarterly, 1st March, June, Sept. and Dec. in United States funds. 7% has been paid regularly since incorporation. 6% from June, 1929.
Common—Paid annually in December. $5 per share paid in Dec., 1931. Dividends have been paid on common each year since 1924.

Officers and Directors—
Officers—W. L. Harvey, pres.; F. A. Bean, vice-pres.; F. V. Spofford, sec.; H. F. Marsh, treas.
Directors—F. A. Bean, W. L. Harvey, H. F. Marsh, J. R. Morris, F. V. Spofford, all of Minneapolis, Minn.; J. J. Kovarik, Buffalo, N.Y.; A. E. Ames, Toronto.

Earnings per Share and Dividend Record:

	1931	1930	1929
First pref.: Earn.	*$28.72	*$32.87	*$38.07
Paid on 7% stk.	7.00	7.00	7.00
Paid on 6% stk.	6.00	6.00	3.00
Common: Earned	10.00	11.72	13.28
Paid§	5.00	5.50	‡15.00

*Based on the total number of first preferred shares outstanding as at August 31.
§Paid on common shares exclusive of treasury stock.
‡On old stock before two for one split.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1925	790,796	446,351	2,747,916
1926	1,025,157	504,336	3,289,043
1927	1,127,013	631,854	3,810,171
1928	1,565,140	667,509	4,887,828
1929	1,564,720	949,114	5,598,146
1930	1,463,694	828,329	6,398,295
1931	1,307,314	807,093	6,917,478

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
1st pref.	97	88½	103	92	105	99
Pref. "A"	80	77	80	80	95	88

*To Oct. 11.

ST. LAWRENCE FLOUR

Sales Position and Earnings Well Maintained to Date

Operations of St. Lawrence Flour Mills in the past fiscal year have been conducted on a satisfactory basis. Flour shipments have shown a tendency to increase and earnings have been maintained.

The company confines its activities to milling and a general flour and feed business. Unlike some of its larger contemporaries, the company has not extended its activity into the baking field, a factor which has probably been responsible, in part, for the relatively stable showing it has been able to make in recent years. Shipments of flour are largely confined to the domestic market, while a certain amount of export business is done with Newfoundland.

Capitalization—	Authorized	Outstanding
Pref. 7% cum. ($100 par).	$600,000	$575,000
Com. ($100 par)	1,200,000	1,200,000

Preferred is non-callable; has equal voting rights with common.

Funded Debt—
6 per cent first mortgage sinking fund bonds, due 1941. Outstanding $80,000.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable quarterly Feb., May, Aug. and Nov. 1. Paid regularly since 1914.
Common—$1.50 per annum. Quarterly dividend of 37½c payable Nov. 1, 1932.

Officers and Directors—
Officers—D. A. Campbell, pres.; T. Williamson, vice-pres. and man. dir.; D. M. Wilson, sec.; D. S. Thornton, treas.
Directors—C. E. Gravel, T. Williamson, J. Henri Labelle, J. J. McGill, C. H. Branchaud, G. W. Grier, Montreal; D. A. Campbell, Toronto.

Times Bond Int. Earned:

	1931	1930	1929
Before deprec.	18.71	21.61	28.71
After deprec.	16.01	18.93	26.17

Earn. per Share and Div. Record:

	1931	1930	1929
Pref.: Earn.	$11.27	$13.48	$19.95
Paid	7.00	7.00	7.00
Com.: Earn.	2.12	3.11	6.20
None paid.			

Seven Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1926	54,554	40,250	158,825
1927	90,126	40,250	187,282
1928	109,017	40,250	232,560
1929	139,726	40,250	307,085
1930	105,017	40,250	344,309
1931	90,266	40,250	369,846
1932	107,838	40,250	398,587

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common	30	9	20	16	38	16
Pref.	99½	70	85	82	87	84¼

*To October 11.

MAPLE LEAF MILL.

Tackles Problems of Depression Era Vigorously—Holds Its Own

Maple Leaf Milling Co., like all the other large Canadian milling companies, has been operating against considerable difficulties during the business depression because of the high European tariff which has shut out foreign flours, and the fact that the reduction in export turned the excess productive capacity of Canadian mills toward the domestic market, thus reducing prices. A considerable portion of that reduced price was to be expected because of the extraordinary decline in the price of wheat during the last two years, but the decline nevertheless has been specially hard on the financial structures of the companies concerned because of the necessity for continual writing down of inventories to meet the new situation.

By reason of almost unexampled losses in 1929 and 1930 because of unauthorized speculations by former officers, this company was brought from an enviable position to one that has required careful nursing. This nursing has had to occur in a very difficult period but the company's excellent operating position, good management and adequate financial supervision appears to be having some effect. Bank advances have been reduced materially, inventories are down in line with loans, and given improved conditions in Canada and the markets to which Maple Leaf Milling Co. has been accustomed to export, improvement in the situation from year to year is hoped for.

Capitalization—	Authorized	Outstanding
Class "A" pref. (Par $100).	$3,500,000	$2,930,000
Class "B" pref. (No par value).	25,000 shs.	25,000 shs.
Common (No par value).	100,000 shs.	100,000 shs.

Of the outstanding stock, 2,305 shares of preferred "A," 1,718 shares of preferred "B" and 6,872 shares of common are held by subsidiaries.

Funded Debt—
First mortgage 5½ per cent bonds, due 1949, outstanding $4,778,000.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable quarterly, Jan., April, July and Oct. 18. Paid regularly from 1919 to and including July 18, 1930; since passed.
Class "B" preferred—6 per cent per annum, cumulative, payable semi-annually, Jan. and July 1. Initial dividend of $3 paid Jan. 1, 1930; none since.
Common—None paid since 1923, when 2 per cent was paid on old stock.

Officers and Directors—
Officers—C. W. Band, pres.; H. J. Symington, vice-pres.; D. C. MacLachlan, gen. mgr.; G. H. Hand, sec.
Directors—C. W. Band, Major A. E. Nash, R. S. Waldie, J. L. Henderson, A. C. Matthews, Toronto, Ont.; H. J. Symington, E. R. Decary, Montreal; R. Cooper, Welland, Ont.; D. L. Cameron, Vancouver, B.C.

Times Bond Interest Earned:
Yr. End. July 31:

	1931	1930	1929
Before deprec.	2.69	...	...
After deprec.	1.74	...	10.66

Earn. per Share and Div. Record:

	1931	1930	1929
7% pref.: Earn.	$4.90	...	$34.06
Paid	...	8.75	7.00
Cl. "B" $6 pref.: Earned	...	...	...
Paid	...	3.00	...
Com.: Earned	...	...	31.71
None paid.			

Seven Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1925	520,604	205,100	1,829,115
1926	432,758	205,100	1,933,518
1927	469,345	205,100	2,076,461
1928	513,293	205,100	2,267,311
1929	1,209,826	205,100	2,060,161
1930	*2,868,551	313,648	103,886
1931	741,571	......	639,677

*For 16 months.

Market Record:

	1932 H	L	1931 H	L	1930 H	L
Common	5	2	8	6	15	8
Pref. 'A'	20½	8	40	10	106½	32

*To October 11.

DOM. BAKERIES

Earnings Down, Dividends Dropped, Maple Leaf Provides Management

Shareholders near the end of 1931 approved the plan whereby Maple Leaf Milling Company will provide the management for Dominion Bakeries Ltd. free of cost even though its control of the company ended for the time being when owners of the first preferred stock secured control automatically with the passing of a fourth quarterly dividend. Exclusive voting privileges are now vested in the first preferred shareholders. D. C. MacLachlan, general manager of Maple Leaf Milling Co., was elected to the board, and G. A. Mackey resigned as president and general manager while retaining his seat on the board of directors.

Dominion Bakeries operates 16 bakeries in Ontario at Windsor, Chatham, Sarnia, Wallaceburg, Brantford, Stratford, Guelph, Owen Sound, St. Catharines, Cobourg, Orillia, Belleville, Kingston, Pembroke, Cornwall and Ottawa.

In 1932 as in 1931 intense competition continues in the baking industry. Except by economies and continued efforts to make sales the company has had no method of making way in a financial sense because of the intense competition and lowered prices for bread in the industry as a whole.

Capitalization—	Authorized	Outstanding
1st pref.	$2,000,000	$725,000
2nd pref.	250,000	210,000
(Par $100.)		
Common (No par value.)	100,000 srs.	25,007 shs.

1st pref.—6½ per cent, cumulative, redeemable at 105.
2nd pref.—6½ per cent, cumulative from March 1, 1930, redeemable at par; convertible at the option of the holder into four common shares.
A majority of the second preferred and common stock is owned by the Maple Leaf Milling Co.

Funded Debt—
None.

Dividend Record—
First Preferred—6½ per cent per annum, cumulative from Sept. 1, 1928, payable quarterly Mar., June, Sept. and Dec. 1. Initial payment of $1.62½ per share was made on Dec. 1, 1928, which rate continued up to and including Sept. 1, 1930. None since. Second Preferred—6½ per cent per annum, cumulative from March 1, 1930. No dividends have been paid on this stock to date. Common—None paid.

Officers and Directors—
Officers—C. W. Band, pres. and gen. mgr.; G. A. Scrimger, sec.-treas.
Directors—G. A. Mackey, C. W. Band, D. C. MacLachlan, C. S. Band, A. F. Culver, R. S. Waldie, Major A. E. Nash, Toronto.

Earnings per Share and Dividend Record:

	1931	1930	1929
First Pref.: Earn.	nil	nil	$10.40
Paid	nil	$6.50	6.50
*Sec. Pref.: Earn.	nil	nil	18.12
None paid.			
†Com. Earned	nil	nil	0.98
None paid.			

*Cumulative from March 1, 1930.
†Calculated as if dividends had been paid on second preferred stock.

Three Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	90,378	37,375	38,055
1930	31,842	47,125	5,795
1931	*57,375	......	†110,822

*Loss. †Deficit.

CAN. BAKERIES

Lower Demand and Prices Cause Company to Defer Dividend Payments

Canadian Bakeries Ltd., which is controlled by Maple Leaf Milling Co., was obliged by reason of lower current earnings to drop payment of first preferred dividend for and since the last quarter of 1931 and that stock is now 8½ per cent in arrears. The last dividend on the seven per cent second preferred was on September 15, 1930. This action was made necessary by the fact that the company has made no money on any of its shares since 1929 when $26.97 a share was shown on the first preferred, $19.12 on the second preferred and $6.06 on the Class A common stock.

The company's losses due to the current economic depression and the price wars encountered nearly everywhere at intervals in the selling of bread, were made somewhat worse by the fact that just before the depression there were losses due to unauthorized trafficking in grain on the Winnipeg Grain Exchange by former officers.

Capitalization—	Authorized	Outstanding
1st pref. 7% cum.	$1,000,000	$930,000
2nd pref. 7% cum.	1,000,000	1,000,000
Par $100.		
Common "A"	20,000 sh.	20,000 sh.
Common "B"* n.p.v.	20,000 sh.	nil

*Held in treasury for conversion of 2nd preferred.

Funded Debt—
6½ per cent first mortgage sinking fund bonds, due 1945, outstanding $710,800

Dividend Record—
First and second preferred: entitled to 7% cumulative, payable 15th Mar., June, Sept. and Dec. First preferred, paid regularly from 1925 to Mar., 1931; reduced to $4 with payment of $1 June 15, 1931, passed Dec. 15, 1931, and since. 2nd preferred paid regularly to Sept. 15, 1930; none since. Common: none paid.

Officers and Directors—
Officers—C. W. Band, pres.; R. W. Ward, vice-pres. and gen. mgr.; D. A. Ross, sec.-treas.
Directors—C. W. Band, F. J. Coombs, Major A. E. Nash, R. S. Waldie, Toronto; John Burns, R. W. Ward, Calgary; D. L. Cameron, W. J. Blake Wilson, Vancouver; H. M. E. Evans, Edmonton.

Times Bond Interest Earned:

	1931	1930
Before deprec.	$2.43	$3.95
After deprec.	0.32	0.65

Earn. per Share and Dividend Record:

	1931	1930
1st pref.: Earned	Nil	Nil
Paid	$5.50	$7.00
2nd pref.: Earned	Nil	Nil
Paid	Nil	7.00
Class "A" com.: Earned	Nil	Nil
None paid.		

Six Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1926	418,356	139,825	32,772
1927	429,306	139,125	70,108
1928	434,446	138,425	118,612
1929	535,020	137,725	234,784
1930	192,934	137,025	74,422
1931	116,524	52,050	822

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Class "A"	1¼	1¼	16	9¾	39	11
1st Pref.	14	10	35	31	99	72

*To Oct. 11.

CANADA BREAD

Maintained Earnings By Careful Management—Dividend Payments Reduced

Canada Bread Co., which is controlled by Maple Leaf Milling Co., managed by various economies and by a consistent selling programme to make just sufficient profits at its 22 bread and cake making plants in Canada to maintain earnings in the year ending June 30, 1932, almost on the basis of the preceding year. Financially it improved its situation to a certain extent by dropping the common dividends which took $125,000 in 1931 and by reducing the Class B preferred dividends from a seven per cent to a two per cent basis so that $37,500 was paid instead of $155,000.

Its liquid position was improved by the careful programme followed during the year.

The depressed economic conditions and unemployment had their effect in reducing consumption, causing increased competition at reduced prices and the supply of considerable quantities of relief bread at a price approximating cost which in better times were sold to individuals now getting relief. A six per cent sales tax placed on cakes in the 1932 budget is also having some effect.

Capitalization—	Authorized	Outstanding
Common (n.p.v.)	200,000 sh.	200,000 sh.
1st pref. 7%	$1,250,000	$1,250,000
"B" pref. 7%	2,500,000	2,500,000

Par $100. Majority of the common stock is held by Maple Leaf Milling Co.

Funded Debt—
6 per cent first mortgage sinking fund bonds, due 1941, outstanding $987,300.

Dividend Record—
1st Preferred: 7% non-cumulative, payable 1st Jan., Apr., July and Oct.; paid regularly since 1912. 2nd Preferred: entitled to 7% non-cumulative; paid at this rate quarterly same dates as 1st pref. from 1926 to July 1, 1931; payment deferred Oct. 1, 1931; 50c per share paid Dec. 1, 1931, Mar., June and Sept. 1, 1932. Common: none at present; reduced from 75c to 50c per annum March 1, 1931; passed Sept. 1, 1931; none since.

Officers and Directors—
Officers—H. F. Gooderham, pres.; Dr. J. H. McConnell, 1st vice-pres.; C. W. Band, 2nd vice-pres.; A. V. Loftus, gen. mgr.; W. S. Antliff, sec.
Directors—H. F. Gooderham, Dr. J. H. McConnell, C. W. Band, E. D. Gooderham, A. E. Nash, T. P. Loblaw, Toronto; H. J. Symington, Montreal.

Earnings per Share and Dividend Record
Yr. end. June 30:

	1932	1931	1930
First pref. Earned	$15.70	$16.41	$34.35
Paid	7.00	7.00	7.00
Cl. "B" pref. Earned	4.35	4.71	13.67
Paid	1.50	7.00	7.00
Common: Earned	...	...	†0.83
Paid	...	0.62½	†0.75

†On new common after 8 for 1 split.

Seven Years' Earnings:

Year	Earnings* $	Dividends $	Surplus $
1926	†790,812	262,500	1,292,884
1927	†802,803	387,500	1,500,991
1928	917,957	412,500	1,796,637
1929	952,032	412,500	1,987,249
1930	701,922	412,500	2,004,075
1931	467,956	387,500	1,821,750
1932	451,763	125,000	1,642,981

†After income tax.
*Less bond interest.

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Com.	4	1¼	7⅞	2¾	19½	7
Pref. "A"	85	80	100	87	120	99¾
Pref. "B"	25	20	80	55	106	77

*To Oct. 11.

OGILVIE FLOUR

Preferred Stock Now Ranks as Senior Security of Company

Ogilvie Flour Milling Co. retains its position as the financially strongest milling organization in the Canadian industry. Over many years the company has built up a strong investment account, which has stood it in good stead during years when the demand for flour fell off. While operating conditions over the past two years have not been altogether satisfactory, the company has been able to make distribution of substantial dividends to its shareholders owing to the large income from its investments. While the value of the latter has undoubtedly been affected by the declining value for securities, it is understood that the investments are carried on the balance sheet at a nominal figure.

During the current year, an event of importance to the shareholders was the retirement by the company of its entire funded debt totalling $2,350,000. This places the preferred stock, of which there is $2,000,000 issued, as the senior security outstanding.

During the fiscal year ended August 31, 1931, the company, for the first time in several years, made no bonus distribution on its common stock. During the current year dividends have been maintained at the rate of 8 per cent.

Capitalization—	Authorized	Outstanding
Pref. 7% cum. ($100 par).	$2,000,000	$2,000,000
Common (n.p.v.)	75,000 shs.	75,000 shs.

Preferred is not callable.

Funded Debt—
None. The 1st mtge. bonds were redeemed in June, 1932.

Dividend Record—
Preferred—7% cumulative, payable 1st March, June, Sept. and Dec.; paid regularly since 1902.
Common—Present rate $8 per annum, payable 1st Jan., Apr., July and Oct. Bonus also paid on common from 1916 to 1930, excepting 1921; no bonus in 1931.

Officers and Directors—
Officers—W. A. Black, pres.; R. R. Dobell, vice-pres.; G. A. Morris, asst. to pres. and sec.; J. C. McLaughlin, treas.; H. K. Hepburn, asst. sec.-treas.; H. Sellers, Winnipeg, western mgr.; V. W. Maclean, Fort William, mgr.; H. N. Davis, Medicine Hat, mgr.; D. A. Grout, Edmonton, mgr.
Directors—Sir Montagu Allan, W. A. Black, R. R. Dobell, Sir C. B. Gordon, Sir H. S. Holt, E. B. Hosmer, J. W. McConnell, Beaudry Leman, Montreal; S. T. Smith, Winnipeg; F. K. Morrow, Toronto.

Earnings per Share and Dividend Record:

	1932	1931	1930
Pref.: Earned	$37.24	$37.76	$56.37
Paid	7.00	7.00	7.00
Com.: Earned	8.06	8.20	13.17
Paid—Divid.	8.00	8.00	8.00
Bonus	nil	nil	5.00

Seven Years' Earnings—

Year	*Earnings $	Dividends $	Surplus $
1926	1,000,873	890,000	2,286,089
1927	1,755,332	1,265,000	2,476,422
1928	1,941,550	1,640,000	2,777,972
1929	2,381,741	2,015,270	3,144,713
1930	1,127,436	1,115,000	3,157,149
1931	755,149	740,000	3,172,298
1932	744,936	740,000	3,177,234

*After depreciation and bond interest, the latter amounting to $141,000 in each year.

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common	150	90	285	125	450	230
Preferred	112	96	130	116½	131	124½

*To Oct. 11.

CONSOL. BAKERIES

Directors Defer Action on Common Stock Dividend

In common with other bakeries, Consolidated Bakeries of Canada, subsidiary of Ogilvie Flour Mills Co., has felt the effects of conditions in the baking industry. Distribution on the company's stock was deferred recently, an indication that earnings have declined during the year.

The company, through subsidiaries, operates a group of twelve bakeries in Ontario and Quebec. Balance sheet at the end of the last fiscal year showed a satisfactory position.

Capitalization—	Authorized	Outstanding
Mgmt. pref.* (No par value.)	3 shares	3 shares
Common (No par value.)	499,997 shs.	318,440 shs.

*Management shares, the holders having the right to elect the boards of directors.

Funded Debt—
None.

Dividend Record—
None at present. Initial dividend of 50c. quarterly paid Apr., 1929, paid regularly to Apr., 1930; reduced to 25c. quarterly July, 1930, paid regularly to and including July, 1932, since passed.

Officers and Directors—
Officers—J. Turnbull, pres.; R. McMullen, vice-pres. and gen. mgr.; James Calder, gen. supt.; H. O. Neale, sec.-treas.
Directors—W. A. Black, chairman of the board; R. R. Dobell, Sir H. Holt, G. A. Morris, J. W. McConnell, Montreal; J. F. Lash, F. K. Morrow, F. G. Osler, J. Turnbull, Toronto.
Management Shareholders — W. A. Black, F. K. Morrow and G. A. Morris.

Earnings per Share† and Dividend Record:

	1931	1930	1929
Earned	$1.15	$0.86	$2.17
Paid	1.00	1.25	2.00

†Based on 318,450 ordinary shares, which number will be outstanding upon complete exchange of shares with Northern Bakeries of Canada.

Three Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1929	*692,625	636,404	272,376
1930	275,269	398,066	151,447
1931	367,082	318,453	184,596

*After depreciation and income tax.

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common	8	3½	12⅞	6½	26	6

*To Oct. 11.

NORTHERN BAKERIES
(Controlled by Consolidated Bakeries)

Capitalization—	Authorized	Outstanding
Com. (n.p.v.)	300,000 shs.	250,000 shs.

As at Dec. 26, 1931, only 10 shares had not been exchanged for shares in Consolidated Bakeries.

Funded Debt—
None.

Officers and Directors—
Officers—J. Turnbull, pres.; R. McMullen, vice-pres. and gen. mgr.; J. Calder, gen. supt.; H. O. Neale, sec.-treas.
Directors—W. A. Black, chm. of board; R. R. Dobell, Sir H. Holt, G. A. Morris, J. W. McConnell, Montreal; J. F. Lash, F. K. Morrow, F. G. Osler, J. Turnbull, Toronto.

LAKE OF THE WOODS

Some Improvement Affected in Position During Past Year

Lake of the Woods Milling Co. has improved its financial position, though operations are still on a limited scale. At the end of its last fiscal year, finances of the company were in a weak condition due to a bad operating season. Adjustments were effected, with the result that financial returns in the year just closed were on a more satisfactory basis. Earnings, however, were not sufficient to permit a resumption of dividends on the preferred or common stocks.

This company is regarded as one of the largest operators in the Dominion, carrying on an extensive domestic and export business. The latter has been adversely affected by the exchange situation, but the demand of late has been reasonably satisfactory.

Capitalization—	Authorized	Outstanding
Pref. 7% cum. (Par $100. Non-redeemable).	$1,500,000	$1,500,000
Common n.p.v.	150,000 shs.	147,689 shs.

Funded Debt—
1st mtge. bonds, 6 per cent, due 1941, authorized $6,000,000; outstanding †$4,000,000.
† Held by banks as collateral for loans

Dividend Record—
Preferred, 7 per cent cumulative, payable Mar., June, Sept. and Dec. 1. Paid regularly from incorporation in 1903 to Sept. 1, 1931; passed Dec. 1, 1931; and since. Formerly $3.20 per annum, payable Mar., June, Sept. and Dec. 1. Dividends were paid each year from 1904 to Dec. 1, 1930; none since.

Officers and Directors—
Officers—F. S. Meighen, pres. and man. dir.; C. H. G. Short, gen. mgr.; D. A. MacInnes, sec.; T. F. McNally, treas.; A. C. McMillan, asst. treas.
Directors—F. S. Meighen, R. W. Reford, Walter Molson, Hugh MacKay, Rt. Hon. Lord Shaughnessy, P. F. Sise, J. W. Pyke, Hon. Rodolphe Lemieux, G. C. Morrison, Montreal; N. J. Breen, I. Pitblado, G. W. Allan, Winnipeg; J. W. Hobbs, Toronto.

Earn. per Share and Div. Record:
Years End. Aug. 31:

	1931	1930	1929
Pref.: Earned	nil	$7.56	$55.46
Paid	nil	7.00	7.00
Com.: Earned	nil	*0.057	*4.91
Paid	nil	3.20	3.20

* Based on new common stock of no par value.

Seven Years' Earnings:

Year	Earnings $	Dividends $	Surplus $
1925	193,486	525,000	983,027
1926	271,792	525,000	679,819
1927	634,378	525,000	714,197
1928	680,588	505,267	793,522
1929	906,941	572,532	1,000,518
1930	188,412	576,570	536,450
1931	*935,468	223,151	536,353

* Deficit.

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Com.	9¾	4	24	5	47	27
Pref.	40	40	101	82	122	110

* To October 11.

INTER-CITY BAKING

Price Cutting in Trade Affects Earnings of Company

Reflecting unsatisfactory conditions in the baking industry, earnings of Inter-City Baking Co., subsidiary of Lake of the Woods Milling Co. have tended to decline this year and in August the management decided to omit common dividend payments which had been maintained since 1929.

The company, through operating subsidiaries, is active in Toronto, Montreal, Ottawa and Hamilton. Competition in all these districts has been keen for some time past and until some stability in the market is achieved, profit margin of sales will likely remain narrow. Investment interest in the company is largely confined to its bond issue.

(Controlled by Lake of the Woods Milling)

Capitalization—	Authorized	Outstanding
Common Par $100.	$4,000,000	*$2,129,500

* As at Jan. 31, 1932, $15,000 was unpaid on outstanding shares.

Funded Debt—
First mortgage, series "A," 5½ per cent, due 1948; outstanding $1,572,800.

Dividend Record—
Common—None at present.
Initial dividend of 4 per cent paid Mar 1929. A similar amount paid Mar., 1930, then semi annually about Aug. 25 & Mar. 31, at the rate of 4 per cent per annum to and including Mar., 1932; since passed

Officers and Directors—
Officers—F. S. Meighen, pres.; G. C. Morrison, vice-pres. and gen. mgr.; R. Lamothe, vice-pres.; A. E. Adams, sec.-treas.
Directors—F. S. Meighen, G. C. Morrison, R. Lamothe, L. M. Strachan, F. C. Strachan, Montreal; C. W. Cotter, Ottawa; H. G. Cowan, J. E. Anderson, Toronto.

Times Interest Earned:
Year Ended Jan. 31:

	1932	1931	1930
Before deprec.	3.81	3.59	3.27
After deprec.	2.66	2.46	2.18

Earn. per Share and Div. Record:

	1932	1931	1930
Com.: Earned	$6.79	$6.02	$4.68
Paid	4.00	4.00	4.00

‡ Based on 21,295 shares subscribed.

Four Years' Earnings:
Year End. Jan. 31:

Year	Earnings	Dividends	Surplus
1929	117,495	70,000	64,960
1930	187,275	85,180	122,323
1931	185,234	85,180	122,422
1932	171,838	85,180	122,129

* After deducting all expenses of operation, and providing for doubtful debts and income tax.

ONTARIO BAKERIES

Company Operating With Bond Interest Deferred; New Manager

Since 1930 Ontario Bakeries has been operating with the consent of bondholders to defer interest until 1933. W. A. Dickson, former general manager, resigned late in 1931 and W. C. Duncan, formerly of the Maple Leaf Milling Co., was appointed general manager in February, 1932.

In the period ended March 26, 1932, the company had sales of $557,634, down more than 20 per cent and the net loss after bond interest and depreciation was $117,285 bringing the total profit and loss deficit to $413,368. Loaves sold were 6,484,158 in the preceding year and 6,099,886 in the year ending March 26, 1932, while the average price per loaf dropped from 9.09 cents in 1931 to 7.17 cents in 1932.

	Authorized	*Outstanding
Preferred Par $100	$2,000,000	$2,000,000
Common N.p.v.	100,000 sh.	200,000 sh.

*Canadian Terminal System owns $155,600 preferred and 51% of the common.

Funded Debt—
6% 1st mtge. series "A" bonds, due 1946, outstanding $904,500.
Interest defaulted Jan. 2, 1931, and bondholders' committee formed. A. T. Field, Toronto, sec. bondholders' committee. In April, 1931, bondholders agreed to defer interest until Jan. 1, 1933.
Officers—A. H. Monteith, pres.; J. A. Arnold, vice-pres.; W. F. Williams, sec.-treas.
Directors—A. H. Montieth, Paris, Ont.; J. A. Arnold, Leslie H. Boyd, Montreal, P.Q.; W. R. Sweeny, Toronto, Ont.; F. Wellington Hay, Listowel, Ont.; J. J. McKnight, Tottenham, Ont.; R. W. Knott, J. M. Hughes.

Inter-City Western

Inter-City Western Bakeries, subsidiary of Lake of the Woods Milling Co., came into being at an unfortunate time. The company was formed as a merger of nine bakeries operating in Western Canada, early in 1930, and its early operations had to contend with poor business conditions in the territories served.

In the last fiscal year earnings were not sufficient to cover bond interest requirements; some improvement may be looked for in view of the better situation prevailing in the West.

Capitalization—	Authorized	Outstanding
Pref. cum. conv. Par $10.	$390,000	$390,000
Common n.p.v.	200,000 sh.	*130,000 sh.

*Over 88% owned by Lake of the Woods Milling Co.

Funded Debt—
6½% 1st mtge. S. F. bonds, series "A" due 1950, outstanding $1,500,000.

Dividend Record—
Preferred: 6 per cent per annum, payable half-yearly, May and Nov. 1. Paid from May 1, 1930, none since.
Common: None paid to date.
Officers—G. C. Morrison, pres. and man. dir.; J. W. Grant, sec.-treas.
Directors—G. C. Morrison, Brig.-Gen. F. S. Meighen, Montreal; N. J. Breen, Winnipeg; Isaac Pitblado, G. H. Booth, Winnipeg; H. B. Addens, Regina; T. Cameron, Calgary; W. Rennie, Victoria; N. Addams, Saskatoon; S. C. Wise, Moose Jaw; A. C. Cowan, Vancouver.

Times Bond Interest Earned—

Yr. end. Jan. 31:	1932	1931
After int. & before deprec.	*0.84	0.94
After int. & after deprec.	*0.36	0.65

*Bond interest including U.S. exchange.

Earn. per Share and Div. Record—
Pref. & common: None earned or paid.

CATELLI MACARONI

Next Few Months Important in Results for Full Year

Operations of Catelli-Macaroni Products Corp. during the current year have been on a parity with those of 1931 and to date have tended to show little improvement. The company, however, is entering its busiest season and results obtained in the next month or so will influence final figures for the year which ends November 30.

The company has effected no major changes in operating policies this year. Three years ago a considerable housecleaning was undertaken, a plant was purchased in Vancouver and a unit at St. Catharines was closed up and dismantled. The company's products are sold in a Dominion-wide market.

Capitalization—	Authorized	Outstanding
Class "A" pref. (Par $30.)	$1,800,000	$1,672,800
Class "B" cum. (No par value.)	125,000 shs.	30,000 shs.

Funded Debt—
None.

Dividend Record—
Class "A" Preferred: entitled to $2 per annum, cumulative, payable 1st Mar., June, Sept., and Dec.; paid regularly Dec., 1928, to Sept. 1, 1930; none since.
Class "B" common: none paid.

Officers and Directors—
Officers—Aimé Geoffrion, pres.; A. Bienvenue, vice-pres.; Paul Bienvenue, man. dir.; Peirce Murphy, sec.
Directors—Aimé Geoffrion, A. Bienvenue, R. R. Dobell, W. W. Hutchinson, Alphonse Raymond, Paul Bienvenue, Henri Geoffrion, Montreal; Hon. N. Pérodeau, Quebec, Que.; I. Rader, Vancouver.

Earnings per Share and Dividend Record:

	1931	1930	1929
Class "A":			
Earned†	$1.04	Nil	$3.13
Earned‡	Nil	Nil	2.42
Paid*	Nil	$1.50	2.50
Class "B":			
Earned‡	Nil	Nil	1.42
None paid.			

*Being at the rate of $2.00 per share per annum.
†Before taking participation features into account. ‡After taking participation features into account.

Market Record:

	*1932 H	L	1931 H	L	1930 H	L
Class "A"	12	7	12	12	27	12
Class "B"	..	..	5	5	10	8

*To Oct. 11.

CANADA STARCH

Montreal Company Has Plants at Cardinal and Fort William

Canada Starch Co. Ltd., which is a consolidation of Edwardsburg Starch Co., Brantford Starch Works and plant and trademarks of Imperial Starch Co., has plants at Cardinal and Fort William, Ont., while the head office is at Montreal.

Capitalization—	Authorized	Outstanding
Pref. 7%	$3,250,000	$1,186,800
Common	1,250,000	1,186,800
Par $100.		

Funded Debt—
5% debentures due 1943, issued, $1,296,000. Convertible into preferred.

Dividend Record—
Preferred: 7%, non-cumulative, payable Feb. and Aug. 15; paid 1907 to 1921 inclusive, none till Feb., 1926, regularly since. Common: None paid.

Officers and Directors—
Officers—G. F. Benson, pres.; J. J. Warren, 1st vice-pres.; W. E. Blackader, Hugh MacKay, G. F. Benson, Jr., vice-pres.; B. S. R. Watson, treas.
Directors—G. F. Benson, W. E. Blackader, Hugh MacKay, G. F. Benson, Jr., J. H. Hunter, Montreal; J. J. Warren, W. L. Matthews, E. B. Hosmer, B. S. R. Watson, Toronto.

Weston's

Canadian-made Biscuits of English Quality

AMONG purely Canadian industries that of the Weston Biscuit Company is one which has won success through progressive development over a long period of time.

The introduction into Canada by Weston's of English biscuit making machinery, and the use of English formulas, together with the employment of expert craftsmen with English experience in the art of producing super quality biscuits — has put Weston's biscuits among the leading biscuit lines on this continent.

A constant endeavor to maintain a high quality by the use of the finest materials, a courteous and helpful attitude in the service given to distributors, backed by enterprising and original merchandising publicity have made Weston's biscuits a household word in Canada.

George Weston Limited
Factory and Head Office -- Toronto
Saint John Ottawa Winnipeg Montreal Vancouver

Chain Food Stores

LOBLAW'S

Earnings and Profit Show Marked Stability—Gradual Expansion

During the last year Loblaw Groceterias Co. has gradually increased the number of stores in Ontario, which now number 107 and has added a number of new lines. Physical volume of sales has shown some decline, while dollar volume of sales is down, reflecting the lower prices on commodities sold. In the year ended May 31, 1932, net profits of $1,040,841 was but $44,000 under profit of 1931, which in turn was very slightly under profit of 1930. The company has shown exceptional ability to maintain profits in a period when most lines of industrial enterprise have suffered badly. Working capital position has been strengthened each year and at May 31, 1932, with ratio of current assets to current liabilities of 8.82 to 1 the company had approximately $1,900,000 in cash and liquid investments.

The Loblaw groceterias are of the self-serve type and are located in the larger centres in Ontario. The company has a large modern warehouse in Toronto, from which deliveries are made to the various units. In recent years, the company has branched out into the manufacturing of various lines and the profits from manufacturing are taken into earnings at the end of the year and do not show in the monthly figures of sales issued by the company. Late in 1931 the company tried out the sale of ready-cut Cellophane-wrapped meats in some of its units and this line has been extended during the present year and facilities are installed in all new stores for sale of meats.

Takes High Rank

Figures of Loblaw Groceterias compare more than favorably with figures of other leading chain grocery stores in the United States and Canada and the company has consistently shown the highest profit per dollar of sales. In sales per store and profit per store the company also leads, while on the basis of profits per dollar of capital, Loblaw's ranks fourth.

The Canadian company owns controlling interests in Loblaw Groceterias, Inc., which operates some 55 stores in the State of New York. During 1932 the American company sold 77 stores located in Chicago to Jewel Tea Co. and has consolidated operations in the New York territory, which has shown a profit for the past three years.

Capitalization—	Authorized	Outstanding
Class "A" ..... (No par value).	600,000 shs.	462,666 shs.
Class "B" ..... (No par value).	600,000 shs.	383,300 shs.

Funded Debt—
None.

Dividend Record—
Present rate 80c. per annum on both "A" and "B" stock; class "A" entitled to cumulative preferred dividend of 50c. per annum, and equal participation with class "B" after payment of 50c. per share on class "B"; both payable 1st March, June, Sept. and Dec. Initial dividend of 12½c. per share on both stocks paid June 1, 1929; and quarterly thereafter to Dec. 1, 1929; increased to 20c. per share March 1, 1930 and regularly since.

Officers and Directors—
Officers—T. P. Loblaw, pres.; C. B. Shields, J. Milton Cork, vice-pres.; Daniel Urquhart, sec.
Directors—T. P. Loblaw, J. Milton Cork, H. G. Muntz, C. B. Shields, D. Urquhart, Toronto.

Earnings per Share and Dividend Record:

Yr. End. May 31:	1932	1931	1930
Classes "A" & "B":			
Earned	$1.23	$1.27	$1.28
Paid	0.80	0.80	0.65

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1926	395,272	209,994	567,185
1927	629,140	242,544	902,368
1928	798,487	255,123	1,364,097
1929	922,202	416,631	1,798,996
1930	1,190,328	556,505	2,205,599
1931	1,206,635	680,673	2,225,075
1932	1,180,841	679,568	2,292,194

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Class "A" ...	12	9	14¾	9½	15¾	10
Class "B" ...	11½	8	14¾	9	15½	10

*To Oct. 11.

GREAT A. & P. TEA

Now Operates 296 Stores in Eastern Canada—Sales Are Lower

Great Atlantic & Pacific Tea Co. Ltd. operates some 296 stores in Canada of which 161 are in the Ontario division and 135 in the Montreal division. The parent company, in the United States, is one of the oldest and largest chain store companies in existence.

A. & P. stores handle fresh meat, fish and fruit in addition to grocery lines and recently the stores in the Montreal division have taken on the sale of motor oil. Sales figures for the company's stores in Canada are not available but physical volume and dollar volume of sales has shown some decline from 1931 figures. There is little investment interest in the company in Canada.

The history of the Great Atlantic & Pacific Tea Co. extends back to 1858 when the original company was chartered in New Jersey. The present company was incorporated in 1925 in Maryland. Originally operating entirely in the eastern United States, the company has extended its operations to include all of the United States and eastern Canada. The company is now the largest retail grocery chain on the continent and operates over 15,500 stores of which almost one-third have fresh meat and vegetable departments.

In the four weeks ended October 1, sales of the company totalled $63,625,099 as against $74,076,684 in the corresponding period of 1931. Tonnage handled amounted to 391,804 tons against 408,232 tons in September, 1931. In addition to the retail stores operated, the company does a substantial amount of manufacturing and has numerous bakeries and canneries. The company is the world's largest coffee distributing organization.

Capitalization—	Authorized	Outstanding
Pref. 7% cum. .. Par $100.	$50,000,000	$26,036,200
Com. voting ...	1,400,000 sh.	1,150,000 sh.
Com. non-vot. . n.p.v.	1,400,000 sh.	936,748 sh.

Dividend Record—
Preferred—7% per annum, payable quarterly, Mar., June, Sept. and Dec. 1. Initial dividend of $1.75 paid Sept. 1, 1925.
Common—$6 per annum, payable quarterly, Mar., June, Sept. and Dec. 1. Initial dividend of 60c. paid Sept. 1, 1925.

Officers and Directors—
G. L. Hartford, chm.; J. A. Hartford, pres.; A. G. Hoffman, W. G. Wrightson, R. B. Smith, E. W. Haskins, vice-pres's.; G. D. Clew, treas.; R. W. Burger, sec.; J. D. Ehrgott, compt., J. B. Breckinridge, asst. sec., C. A. Brooks, O. C. Adams, W. J. Davidson, D. T. Bofinger, W. M. Byrnes.

DOMINION STORES

Maintains Strong Position—Adds New Lines Including Motor Oil

Dominion Stores Ltd. operates an extensive chain of retail stores selling meats, groceries, and fruits in Ontario and in the Maritime Provinces. In 1921 the company had 122 stores and gross sales of $3,461,153 and for ten years showed a continuous expansion until the number of stores stood at 572 at Dec. 31, 1931, and in that year gross sales reached a peak of $25,200,150. Sales in the current year have shown a reduction from 1931 figures since the company has been consolidating its position. Profits in the first six months of 1932 are reported at 80 cents per share, as compared with 95 cents per share in the first half of 1931, after deduction of all fixed charges, including income tax.

The company ranks well up among the leading chain grocery stores on the continent. Stock of the company is listed on the New York Stock Exchange, as well as in Canada. The company has a strong working capital position and earnings have always been substantially in excess of dividend requirements.

In 1932, the number of stores operated has been slightly reduced due to merger of two existing stores into one larger unit and elimination of some of the less profitable stores. A number of stores have been enlarged and new lines have been added. Motor oil and tulip bulbs are two new lines added quite recently. Physical volume of business is understood to have been under that of 1931, a reflection of existing conditions that the company has been able to avoid until the current year.

Capitalization—	Authorized	Outstanding
Common (No par value.)	1,000,000 shs.	282,382 shs.
Pref. 6½% (Par $100.)	$5,000,000	None

Funded Debt—
None.

Dividend Record—
Common: present rate $1.20 per share per annum (U.S. funds) payable Jan., Apr., July and Oct. 1, paid regularly since July, 1929, 2% stock bonus paid to shareholders of record June 17, 1930; 30c cash extra paid Jan. 2, 1932.

Officers and Directors—
Officers—W. J. Pentland, pres., Toronto; Morley Smith, vice-pres. and treas.; W. F. Stewart, sec.
Directors—W. J. Pentland, Morley Smith, E. G. Wills, W. F. Stewart, R. R. Corson, Toronto; J. B. Jameson, Concord, N.H.; W. S. Kies, E. C. Lynch, F. W. Nash, New York; Dr. C. W. Colby, Montreal.

Earnings Per Share and Dividend Record:

	1931	1930	1929
Com. Earn. .	$1.85	$1.91	$2.17
Paid	1.20+0.30	1.20+2%†	.75+.90*

*Three quarterly payments at 30 cents per share on stock increased by issue of rights at $5 a share in April, 1929.
†Stock dividend.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1925	291,849	95,428	415,375
1926	412,245	193,822	515,630
1927	531,145	189,000	824,068
1928	598,819	266,062	1,113,996
1929	494,250	313,076	1,071,149
1930	601,263	335,436	1,267,008
1931	630,967	419,413	1,201,049

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Com.	20⅛	13	24¼	13⅛	30	12¼

*To Oct. 11.

STOP & SHOP

Capital Reduced With Reorganization of Consolidated Food

Stop & Shop Ltd. is the result of a reorganization of Consolidated Food Products Ltd. and its subsidiary companies, effected during the current year. For the past three fiscal years, Consolidated Food Products Ltd. has been unable to earn fixed charges, but various economies that have been made in operations during the past two years has enabled Stop & Shop Ltd. to earn bond interest so far in the current year, it is stated.

The company operates a chain of grocery and meat stores in Ontario and the management is extending every effort to increase sales in existing stores. During 1931, the company consolidated operations by selling several of its units to Dominion Stores but new units have been opened in the larger centres such as Montreal, Toronto and Ottawa.

New bonds and shares of Stop & Shop Ltd. are now available for exchange with the old securities of predecessor companies. Preferred stock of Consolidated Food Products Ltd. of which there were 30,180 shares of $35 par value outstanding at March 14, 1932, were exchanged for common shares of Stop & Shop Ltd. on the basis of three shares of class "A" for two shares of Stop & Shop common. Common shares of Consolidated Food Products are to be exchanged for common shares in Stop & Shop Ltd. on the basis of one new share for each ten shares of Consolidated Food Products common held.

Present Capitalization—	Authorized	Outstanding
Common ...... N.p.v.	300,000 shs.	234,490 shs.
Class "A" ...... Par $35.	60,000 shs.	30,180 shs.
6% 1st mtge bonds (Arnold Bros.)	$2,500,000	$691,500
6% debentures ..	500,000	500,000
After Reorganization—		
Common ...... N.p.v.	*125,000 shs.	43,659 shs.
Pref. 6% ...... Par $10.	$750,000	$555,550
6% 1st mtge. bonds	2,500,000	691,500

*Of which 75,000 shares will be reserved for conversion of the preferred stock.

Dividend Record—
Preferred "A"—None at present. Entitled to $1.50 per annum, non-cumulative; participates equally up to additional $1.50. 37½c. paid April 15 and July 15, 1929; none since. None paid on common.

Officers and Directors—
Officers—R. H. Hommell, pres.; H. B. Housser, vice-pres.; G. C. Anspach, sec.-treas.
Directors—H. B. Housser, A. D. Cobban, R. H. Hommell, J. F. Mackay, W. S. Morlock, B. V. McCrimmon and J. S. D. Tory, all of Toronto.

Cons. Income and Surplus Account

	11 Mos. ended Feb. 27, 1932 $	Year ended Mar. 28, 1931 $
Gross earnings	1,284,860	1,481,774
Expenses	1,237,362	1,712,298
Net earnings	47,498	*230,524
Interest chgs.	87,727	94,007
Depreciation	45,030	
Deficit	85,259	324,531
Add appropriations:		
Loss on sale and reval. assets	......	1,656,388
Conting. res.	......	80,000
Def. chgs., org. exp. w/o		262,161
Deficit for year		2,323,081
Add: Prev. deficit		179,543
Deficit forward	......	2,502,624

*Loss.

THRIFT STORES

Steady Expansion Continues to be Recorded by Montreal Chain

Beginning with a chain of 31 retail grocery stores in 1929, Thrift Stores Ltd., now operates 67 units in Montreal. Sales during the current year have been maintained and dividends on both classes of preferred stock have been paid regularly. Further expansion was undertaken last year when the company acquired a new warehouse with double the capacity of its former structure, factor which has improved its distribution facilities. The company is now pursuing a conservative policy of extension to existing property.

Capitalization—	Authorized	Outstanding
Pref. cum. red. .. Par $25.	$350,000	$350,000
2nd pref. cum. red. Par $10.	120,000	120,000
Ordinary, n.p.v...	*57,000 shs.	20,000 shs.

*37,000 ordinary shares are reserved for conversion of 1st and 2nd preferred shares.

Dividend Record—
1st Preference—6½ per cent per annum, cumulative from Oct. 1, 1929. Payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid Jan., 1930, and regularly since.
2nd Preference—7 per cent per annum. Cumulative from Oct. 1, 1929. Payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend paid Jan., 1930, and regularly since.
Ordinary—None paid to date.

Officers and Directors—
Officers—M. Rudolph, pres.; J. Schafran, vice-pres. and gen. mgr.; T. F. Mundy, sec.
Directors—M. Rudolph, J. Schafran, Allan M. Mitchell, A. F. Byers, W. M. Hodgson, Walter A. Merrill, K.C., W. E. Dunton, C.A., A. E. Howard, all of Montreal.

Earnings per Share and Dividend Record:

Yr. end. Mar. 31:	1932	1931	1930
1st pref.: Earned§	$4.95	$4.09	$2.79
Paid	1.62½	1.62½	0.81¼
2nd pref.: Earned§	3.88	2.87	*2.31
Paid	0.70	0.70	0.35
Ordinary: Earned§	1.91	1.15	†1.18
None paid.			

*After six months' dividend on the total first preference outstanding as at March 31, 1930, viz., 14,000 shares.

†After six months' dividends on first and second preference shares outstanding.
§Based on net profit as above, which is before income tax for current year but after prior year's income tax and adjustments.

BUYWELL FOOD

New Company Takes Over Montreal Properties of Stanfords Ltd.

Stanford's Ltd., formerly operating a chain of ten meat markets in Montreal, went into bankruptcy last year and seven of its stores were purchased by Buywell Food Market. Preferred and common shareholders of Stanford's were offered an exchange of securities on conditions which required them to make a certain cash commitment in securing the new stock.

First and second preferred shares of Stanford's were valued at $100 each and the common was given a value of $25 a share. Holders of these shares were asked to subscribe to the extent of 20 per cent of the value given to their securities toward the purchase of Buywell Food Market preferred. They also received in exchange a proportionate number of Buywell no par value common shares, valuing the latter at $10 a share in relation to the amount of Stanford's securities held.

Capitalization—	Authorized
1st pref. 7%. par $10	50,000 shs.
Common, n.p.v.	200,000 shs.

Dividends—
Preferred—7 per cent. Initial dividend of 1¾% paid Oct. 15, 1932.

Officers—
M. Zahler, pres.; C. Burns, vice-pres.; W. A. Stanford, sec.; J. H. Magid, treas.

Retail Trade of Charlottetown

Charlottetown had 205 retail stores in 1930, with sales of $4,967,200, 625 employees paid $506,800. The food group had 93 establishments with $1,154,300 sales, 99 employees paid $62,200. There were 23 clothing and apparel stores doing $900,000 business with 128 employees paid $86,800.

Asbestos Production in 1931

Manufactures of asbestos products in 1931 were valued at $1,308,183, compared with $2,301,924 in 1934. This is the first decline after seven years of continuous growth. Prices were lower.

The output of three plants in Quebec was valued at $917,053 and of seven plants in Ontario at $337,693.

VIAU BISCUIT

General Conditions Reflected in Lower Earnings from Sales

Though earnings of Viau Biscuit Corp. during the current year have been affected to some extent by low selling prices in the industry, it is understood that profits have been sufficient to cover preferred dividends paid on the first preferred stock. Disbursements on the second preferred, however, were suspended this year.

The company has made progress in recent years, funded debt has been reduced to a low figure, while the company was recently granted authority to purchase its own preferred stock for retirement. The latter factor should find reflection in the balance sheet at the end of 1932.

Capitalization—	Authorized	Outstanding
Com. (n.p.v.) ..	50,000 shs.	25,000 shs
1st pf. cum. 7% ($100 par).	$2,500,000	$1,000,000
2nd pf. cum. 7% ($100 par).	1,000,000	470,000

Funded Debt—
6½ per cent first general mortgage bonds, due 1946; outstanding $343,100.

Dividend Record—
1st Preferred—7% cumulative, payable 1st Jan., April, July and Oct.; paid regularly.
2nd Preferred—7% cumulative, payable same dates at 1st preferred; payment passed in 1927, resumed in 1928 and arrears paid-up in 1930; paid regularly from 1928 to Jan. 1, 1931; none since.
Common—None paid.

Officers and Directors—
Officers—Théophile Viau, pres.; Albert Hudon, vice-pres.; J. W. Ross, sec.; Lucien St.-Mars, treas.; W. Bousquet and J. A. Boucher, sales mgrs.; A. Giguére, production mgr.
Directors—Théophile Viau, A. Hudon, J. W. Ross, G. H. Rainville, J. A. Lemieux, Montreal.

Times Bond Int. Earned:	1931	1930
After other int. & before deprec.	9.49	12.87
After other int. & deprec.	8.16	11.19
Earnings per Share and Dividend Record:		
First preferred:		
Earned	$13.28	$19.06
Paid	7.00	7.00
Second preferred:		
Earned	13.35	25.66
Paid	$7+$7	†7.00
Common:		
Earned	1.19	3.51
Paid	....	....

†Arrears.

Five Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	189,650	70,000	2,256
1928	239,637	111,475	30,519
1929	243,337	102,900	63,068
1930	315,467	102,900	110,798
1931	218,784	102,900	87,800

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Common ...	11	5	24½	8¼	14½	6¼
1st pref.	75	59	85	70	85	70

*To Oct 11.

WILLARD'S CHOCOLATE

Under Option to Blue Ribbon Corp.—Preferred Dividend Guaranteed

In December, 1931, shareholders of Willard's Chocolates Ltd., agreed to a proposal whereby Blue Ribbon Corp. took over the assets of the company under an option to pay $15 per share for the Willard's common stock on or before April 15, 1935. Preferred shareholders agreed to a reduction in the dividend rate from 8 per cent to 6½ per cent per year and Blue Ribbon Corp. agreed to guarantee preferred dividends on Willard's Chocolates preferred stock from December 1, 1931, to March 1, 1935. The agreement to purchase by Blue Ribbon Corp. is dependent upon sale of the Willard Dupont St. plant, which is now under option to Carruthers-Silverwoods Dairies Ltd.

Operations of Willard's Chocolates Ltd. showed a loss during 1931 and it was stated that profitable operation of the company did not seem to be possible under existing conditions.

Capitalization—	Authorized	Outstanding
Pref. cum. Par $100.	$1,250,000	$474,000
Common n.p.v.	15,001 sh.	15,001 sh.

Dividend Record—
Preferred: 6½% cumulative, payable 1st March, June, Sept. and Dec. Payments guaranteed by Blue Ribbon Corp. Initial quarterly dividend paid Mar. 1, 1932. Was 8% cumulative, paid regularly to Sept. 1, 1930, none since. Common: none paid.

Officers and Directors—
Officers—W. S. Greening, pres.; C. E. Spooner, vice-pres. and man. dir.; J. C. Jamieson, treas.; E. M. Bragg, sec.
Directors—W. S. Greening, C. E. Spooner, D. H. McDougall, M. H. Toy, H. B. Housser, J. W. Mitchell, all of Toronto.

HUNT'S LTD.

Sales Lower for Year But Recent Improvement in Trend is Felt

Hunt's Ltd., operates a chain of 31 stores in Ontario, handling candy, ice cream and pastries, as well as having tea room facilities. The greatest number of stores is operated in Toronto and in this district two new stores have been opened within the past month. Stores are also operated in Ottawa, Hamilton and London. There has been a net increase of one store in 1932.

Officials of the company see an improvement in business during the past month and the reduction in the price of ice cream during September has substantially increased that end of the business. So far in 1932, however, sales are well under sales in the corresponding period of 1931 due to smaller orders in the restaurant end of the business, reduced prices on candies and lower sales on ice cream, due to a cool summer. A substantial proportion of the year's business is done in the last three months, with sales reaching a peak in December, due to the holiday trade and it is therefore extremely difficult to predict earnings for the year.

The company has continued to pay dividend on both classes of common stock, but the rate was reduced to

(Continued on page 14)

Biscuit, and Confectionery

GEORGE WESTON

Covers Dividends in 1932—American Subsidiary Shows Improvement

George Weston Ltd. manufactures and distributes fine biscuits and, through two subsidiary companies, manufactures confectionery, bread, cakes and pastry. The company has a national distribution for its biscuits and maintains plants in Toronto, Oshawa, Brantford and Calgary, while an American subsidiary also operates in the New England states.

The subsidiary companies include Wm. Patterson Ltd. which manufactures confectionery at Brantford, Ont. George Weston Bread & Cakes Ltd., which in turn controls Lawlor's Bread Ltd. in Toronto, and Regal Bakeries Ltd., which operates in Toronto and Oshawa. In 1931, the parent company acquired the Independent Biscuit Co., Ltd., of Calgary. Control is held of George Weston Ltd. which operates in the New England states. This subsidiary was reorganized in 1931 and substantial improvement in earnings has been shown during the current year.

While earnings figures of George Weston Ltd. are not available for 1932 it is understood that the company has increased its volume of sales and that earnings are sufficient to more than cover preferred and common dividend requirements. The company has continued to pay common dividends at the rate of $1 per share per year in addition to the regular preferred dividend paid since May 1, 1928.

Capitalization—	Authorized	Outstanding
Common (n.p.v.)	50,000 shs.	*50,000 shs.
Pref. 7% cum. .. (Par $100).	$1,000,000	*$900,000

*Of which the company's subsidiary, Wm. Paterson, Ltd. owns 120 shares of preferred and 860 shares of common stock.

Funded Debt—
None.

Dividend Record—
Preferred—7%, payable quarterly, Feb., May, Aug. and Nov. 1. Paid regularly since May, 1928.
Common—Present rate $1 per share per annum, payable quarterly, Jan., April, Aug. and Nov. 1. Initial dividend paid April 1, 1930, and regularly since.

Officers—W. Garfield Weston, pres. and man. dir.; F. W. St. Lawrence, vice-pres. and gen. mgr.; C. W. Kerr, sec.; R. A. Robertson, treas.
Directors—W. Garfield Weston, F. W. St. Lawrence, C. W. Kerr, R. A. Robertson, Toronto; D. L. Chrysler, Brantford, Ont.

Earnings per Share and Dividend Record:

	1931	1930	1929
Pref.: Earned	$15.35	$21.49	$15.62
Paid	7.00	7.00	7.00
Com.: Earned	1.46	2.60	1.44
Paid	1.00	1.00	....

Five Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	*171,935	......	35,606
1928	202,160	43,632	160,728
1929	152,930	68,534	232,791
1930	210,431	113,000	262,946
1931	153,963	115,094	282,085

*After bond interest.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Common ...	23	16½	45	30	44½	18
Preferred ...	70	65	90	79	92	82

*To Oct. 11.

INDEPENDENT BISCUIT

Capitalization—	Outstanding
1st Preferred, 7%	$150,000
2nd Preferred 7%	57,700
Common, n.p.v.	5,000 shs.

George Weston Co. and William Paterson, Ltd. hold $85,700, 1st preferred; $57,700 2nd preferred, and 4,154 common shares.

NATIONAL B. & C.

Exchange Favors Opening of New Markets for Products in U. S.

National Biscuit & Confections Co. operates a plant in Vancouver for the manufacture of plain and fancy biscuits and candy. The company has been operating since 1910 but was publicly financed in 1930 to enable extension of plant and purchase of modern machinery. Earnings of the company are understood to have exceeded fixed charges by a satisfactory margin in 1931 and early this year the company opened up new markets in the United States. In the past the company has enjoyed an export market in the Orient and in Australia and New Zealand.

Capitalization—	Authorized	Outstanding
Preferred	$75,000	$58,900
Common .... (Par $100).	25,000	25,000

Funded Debt—
1st mtge. 6½% bonds, due 1950, issued $160,000.

Officers and Directors—
L. H. Nicholson, pres. and man. dir.; G. W. Morrow, vice-pres. and sales mgr.; Arnold Shiell, sec.-treas.; H. S. Wilders, supt.; E. B. McDermid, A. R. Fanning, T. G. Beattie.

CANADA BISCUIT

Company Reorganized With New Manager When Bond Interest Passed

Canada Biscuit Co., which through seven subsidiary companies makes and distributes plain and fancy biscuits, confectionery, ice cream cones and allied products in Canada and Newfoundland, was reorganized in 1932 as a result of interest being passed on $1,924,500 of Series "A" 6½ per cent first mortgage sinking fund gold bonds.

The committee induced bondholders to forego interest on November 1, 1932, and May 1, 1933 and also until May 1, 1946, if there were further default on November 1, 1933. They also agreed to accept payment of principal, sinking fund and interest in Canadian funds only and to permit sinking fund payments and redemption of bonds therefore to be extended until May 1, 1935. It was also agreed to permit the creation of $300,000 six per cent prior lien bonds, dated May 1, 1932, to mature May 1, 1946.

J. W. Ross, former manager of Viau Biscuit Co., was appointed managing director and it is understood that the prior lien bonds were taken up by interests connected with Mr. Ross.

The capitalization of the company will be as follows:

6% prior lien bonds ...	$ 300,000
6½% first mtge. bonds	1,790,000
Capital stock, n.p.v. ...	89,000 shs.

Dividend Record—
Old preferred—Seven per cent cumulative, payable quarterly, Jan., April, July and Oct. None paid.
Old common—None paid.

Officers and Directors—(After reorganization.)
Directors—Frank A. McCormick, Ray Lawson, London; G. H. Rainville, J. E. Labelle, K.C., D. J. O'Donahoe, R. W. Steele, Guy Perron, J. W. Ross, Montreal; J. L. Bathgate, Winnipeg.
Officers—Frank A. McCormick, pres.; F. Lawson, sec.; W. P. Rapley, treas.; J. W. Ross, man. dir.

DAVID ET FRERE

Earnings Limited by Disturbed Conditions in Industry

Price-cutting on a ruthless scale has been apparent in the biscuit industry during the past year, and earnings of David et Frere are reported as having been adversely affected. Though the company did well in years following its inception in 1928, operations in 1931 resulted in a loss.

The company confines its output largely to low-priced biscuits and serves the Quebec market. Indications are that biscuit manufacturers will come to some agreement regarding selling values, an occurrence which should help the position of David et Frere.

Capitalization—	Authorized	Outstanding
Class 'A' non-cum.	23,000 shs.	23,000 shs.
Class "B" .... (No par value).	23,000 shs.	23,000 shs.

Funded Debt—
None.

Dividend Record—
Class "A"—None at present; $2.25 paid regularly from Sept. 15, 1928 to June 15, 1931; reduced to $1.00 per annum, Sept. 15, 1931; passed March 15, 1932.
Class "B"—None paid.

Officers and Directors—
Officers—Mrs. René T. Leclerc, pres.; Omer Gauthier, vice-pres.; L. R. Philie, sec.-treas.
Directors—L. R. Philie, Mrs. René T. Leclerc, O. Gauthier, A. Cousineau, F. A. Beique, G. O. Soucie, H. Merrill, Montreal, Que.

§Earnings per Share and Dividend Record:

	1931	1930	1929
Class "A": Earn.*	...	$4.66	$5.25
Earned†	...	3.00	3.00
Paid	$1.63	2.25	2.25
Class "B": Earn.†	...	1.66	2.25
None paid.			

§Before provision for income tax.
*Before taking into consideration the participating clauses.
†After making provision for the participating clauses attached to each class of shares.

Four Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928†	78,314	25,760	53,362
1929	116,815	51,750	114,196
1930	103,127	51,750	160,212
1931	‡13,157	37,490	71,001

‡Loss.
†Covering period from June 10, 1928 to Dec. 31, 1928.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Class "B" ..	1½	1½	5	3	11½	5

*To Oct. 11.

Gleichen Flour Mill Active

The plant of the Gleichen Flour Mills, recently built at Gleichen, and operated by A. C. Robertson & Co., is now in operation, producing flour of good quality as well as cereals.

"Where Quality Counts"

"Where Quality County" is more than a mere slogan. Behind the slogan is a definite policy which, since the organization of the company in 1919, has made Dominion Stores Limited the largest retail grocery chain in Canada. There are now 567 units in operation in four provinces—Ontario, Quebec, New Brunswick and Nova Scotia.

Besides being the largest grocery chain in Canada, Dominion Stores also is the largest CANADIAN company of its kind. Every executive is a British subject and every employee is a native of the Empire. The company endeavors to maintain a high standard of personnel, the better to serve the tens of thousands of customers, and the incidental benefit to the communities in which Dominion Stores operates is that the purchasing power of the many hundreds of employees is as great as ever.

Shareholders of Dominion Stores have had a satisfactory experience from the policies which have placed the interest of the customer first—policies which have built a great Canadian grocery business on an enduring foundation.

DOMINION STORES
Limited

567 Stores
in
Four Provinces

"Where
Quality
Counts"

SAFEGUARDED.

Hold to the Course of
GOOD HEALTH ...
with PURE MILK

Milk in which the quality is always safeguarded is an investment in good health.

Eastern Dairies Limited, operating in five of Canada's greatest cities, provides this most vital element of the daily health-building diet...rich, pure, wholesome milk.

EASTERN DAIRIES LIMITED
Owning and operating
Acme Farmers Dairy Limited - - - Hamilton
Acme Farmers Dairy Limited - - - Toronto
Crescent Creamery Company Limited - Winnipeg
Elmhurst Dairy Limited - - - - - Montreal
The Producers Dairy Limited - - - Ottawa

BISCUITS AND CONFECTIONERY (Cont'd)

HUNT'S

(Continued from page 13)

$1 per year, with the payment made on July 2, 1932.

Capitalization—	Authorized	Outstanding
Class "A"	100,000 sh.	18,656 sh.
Class "B" n.p.v.	15,000 sh.	15,000 sh.

Dividend Record—
Classes "A" and "B": present rate $1 per annum, payable Jan., April, July and Oct. 1; increased from $1 to $1.40 per annum April 1, 1931, and reduced to $1 July 2, 1932. Bonus of 50c. per share paid Jan., 1930 and Jan., 1931.

Officers and Directors—
Officers—H. W. Hunt, pres. and man.-dir.; L. K. Hergert, sec.-treas.
Directors—H. W. Hunt, A. F. Schnaufer, J. D. Montgomery, J. H. Ratcliffe, L. K. Hergert, all of Toronto.

Earn. per Share and Div. Record—

Common:	1931	1930	1929
Earned	....	....	....
Paid ..	....	....	....
Classes "A" & "B":			
Earned	$1.62	$2.67	$2.70
Paid ..	1.40	1.00+50c	1.00+50c

Five Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	*63,896	22,226	144,435
1928	*69,668	42,869	171,234
1929	139,360	53,594	216,513
1930	138,897	50,484	251,072
1931	102,985	47,118	172,691

*Net profits.

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common	17½	6½	23½	17	28	17½
Preferred	..	..	23½	18½	30	19

*To Oct. 13.

LAURA SECORD

Shares Expected to Earn Over $5—Unit Volume of Sales Increased

Laura Secord Candy Shops Ltd. will show earnings of approximately $5 per share for the year ended September 30, 1932, and the annual statement of the company which will appear in the course of a few days is expected to show an extremely favorable position despite the business conditions prevailing during the past year. Unit sales were substantially in excess of the year ended September 30, 1931, and dollar volume of sales showed no decrease. The company has made no reductions in salaries or wages but has been able to reduce overhead and lower production costs.

The company operates some 79 stores throughout Ontario and has over a period of years built up an extremely strong liquid position. Current assets consist almost entirely of cash and high grade government bonds which are carried at market or cost, whichever lower. The coming balance sheet is expected to show these investments at some $1,330,000, a substantial increase over a year ago despite the wide fluctuations of security prices during that period.

The company has a substantial but not a controlling interest in Fanny Farmer Candy Shops Inc., and both companies are under the same excellent management.

Capitalization—	Authorized	Outstanding
Common (No par value).	57,500 shs.	57,500 shs.

Funded Debt—
None.

Dividend Record—
Common: present rate $3 per annum, payable Mar., June, Sept. and Dec. 1. Initial dividend of 50c. paid Dec., 1928, and regularly to Dec., 1929, when increased to present rate.

Officers and Directors—
Officers—Frank P. O'Connor, pres.; J. D. Hayes, 1st vice-pres. and gen. mgr.; W. J. O'Connor, 2nd vice-pres.; C. P. Moher, 3rd vice-pres.; C. H. Ellston, sec.-treas.
Directors—Frank P. O'Connor, J. D. Hayes, C. H. Ellston, C. P. Moher, Toronto; A. A. Audette, Montreal.

Earn. per Share and Div. Record—

	1931	1930	1929
Pref.: Earned ..	....	3,164.62	$61.78
Paid	3.50	7.00	7.00
Common: Earned.	5.22	6.56	7.22
Paid	3.00	3.00	2.00

Five Years Earnings—

Year	Earnings* $	Dividends $	Surplus $
1927	167,812	43,654	124,158
1928	246,438	49,397	281,198
1929	379,765	120,716	500,246
1930	379,754	171,573	788,427
1931	300,037	172,513	836,744

*After all operating expenses and provisions for bonus, depreciation, income taxes and in all years except 1931, depreciation in market value of bonds and reserve against investment in associated company.

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common	40	28	46	33	48	30

*To Oct. 12.

FANNY FARMER

Reduced Prices Stimulate Sales—Prospects for Last Quarter Good

Operating 147 retail candy shops in the United States and six manufacturing studios, Fanny Farmer Candy Shops Inc. has, over the past five years, built up a very strong liquid position and with the retirement of a substantial number of preferred shares annually, the equity of the common shares has increased. Control of the company is in the same hands as that of Laura Secord and the latter company owns a block of Fanny Farmer stock but not sufficient to give control.

Sales in the first eight months of 1932 were substantially lower than in the corresponding period of 1931 and dividend due July 1, 1932, on the common stock was not paid. In September, prices of the company's candy were reduced and this had an immediate effect upon sales which increased over 10 per cent in dollar volume during September, 1932, as compared with sales of September, 1931. This increase is expected to be maintained during the last quarter of 1932 and, together with reduced cost of production and lower overhead expenses, may result in the company showing a net profit available for preferred dividends of some $100,000 in the current year. On this basis there is prospects for a good increase in net profit during 1933 and there is the possibility that common dividend payment may be resumed if the trend continues upward.

	Authorized	*Outstanding
Preferred	45,000 sh.	15,757 sh.
Common n.p.v.	100,000 sh.	99,576 2/3 sh.

*Outstanding in hands of the public. In addition, corporation has purchased and registered in its own name, 6,619 preference and 423 1/3 common shares.

Dividend Record—
Preferred: $2.40 per share per annum, payable Jan., Apr., July and Oct. 1; paid regularly since July 1, 1926. Common: present rate $1 per share per annum, payable Jan., April, July and Oct. 1; paid regularly April, 1928, to April, 1932. July 1, 1932, payment deferred and since.

Officers and Directors—
Officers—F. P. O'Connor, pres. and chm.; J. D. Hayes, 1st vice-pres.; W. J. O'Connor, 2nd vice-pres.; C. P. Moher, 3rd vice-pres.; C. H. Ellston, sec.-treas
Directors—F. P. O'Connor, J. D. Hayes, Toronto; C. H. Ellston, M. I. Farrell, J. P. Hogan, Rochester.

Earn. per Share and Div. Record—

	1931	1930	1929
Pref.: Earned* ..	$11.59	$16.41	$20.44
Paid	2.40	2.40	2.40
Com.: Earned ...	1.44	2.46	3.45
Paid	1.00	1.00	1.00

*After deduction of preference stock sinking fund.

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1926	436,266	54,000	746,513
1927	439,067	68,102	994,984
1928	463,777	164,692	1,151,230
1929	529,661	148,953	1,182,003
1930	407,809	142,906	1,324,955
1931	278,722	139,146	1,282,344

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common	10	7	18	8	21½	10
Pref.	29	25	34	27	32¼	28⅝

*To Oct. 12.

Jenny Lind Candy

Jenny Lind Candy Shops Ltd. operates a chain of some 20 retail candy stores and a manufacturing studio in Toronto. Most of the stores are located in Toronto and a few are in the larger Ontario cities, including Hamilton and London. The company was formed in 1930 and commenced operations in September of that year, but has not yet paid any dividends on the preferred stock, of which there is $315,000 in $35 par value shares authorized, and no financial statement has been published.

Capitalization—	Authorized	Issued
Pref. 7% .... (Par $35).	$315,000	$255,000
Common .... (No par value).	40,000 shs.	30,000 shs.

Dividend Record—
Preferred—7 per cent per annum, payable semi-annually, Mar. and Sept. 30. None paid to date.

Officers and Directors—
E. G. Robinson, pres.; C. E. Mooney, vice-pres.; A. W. Robinson, Toronto; A. E. Hickman, St. John's Nfld.; A. B. Pollock, Kitchener; C. L. Long, Orillia, Ont.

McCORMICK'S
FANCY
JERSEY CREAM
SODAS
McCORMICK
CANADA'S BEST SODAS
CRISPER FLAKIER

NEVER EQUALLED in 70 YEARS

CANADA'S FINEST SODAS..

A Product of

McCormick Mfg. Co. Limited
ESTABLISHED 1858
London, Ontario

A Division of Canada Biscuit Company, Limited, Largest Manufacturers of Biscuits and Confectionery in Canada.

Western Canada Flour Mills
COMPANY LIMITED
The Brackman-Ker Milling Company Limited
Purity Flour Mills Limited

Consolidated Statement, 31st August, 1932

ASSETS

CAPITAL ASSETS:			
Real Estate, Buildings, Plant and Equipment less Depreciation		$5,435,090.84	
Other Investments, including investments in and advances to Affiliated Companies less Reserve		1,344,029.62	
Patents, Trade Marks and Goodwill		1.00	$6,779,121.46
CURRENT ASSETS:			
Accounts and Bills Receivable		$ 607,987.79	
Inventories of Grain, Merchandise, Bags, Barrels and Supplies		1,246,163.98	
Cash on Hand and in Bank		71,932.94	
Deferred Charges		46,222.62	1,972,307.33
			$8,751,428.79

LIABILITIES

CAPITAL:			
Authorized—30,000 shares of 6½% Cumulative Preference Stock of a par value of $100.00 each .. 150,000 shares Common Stock of No Par Value..		$3,000,000.00	
Issued—25,000 shares 6½% Cumulative Preference Stock of a par value of $100.00 each	$2,500,000.00		
870 shares redeemed	87,000.00	2,413,000.00	
135,000 shares Common Stock of No Par Value..		2,205,700.00	$4,618,700.00
CURRENT LIABILITIES:			
Bank Loan		266,000.00	
Dividends Payable 15th September, 1932		39,211.25	
Accounts and Bills Payable		757,730.17	1,062,941.42
RESERVES:			
For Contingencies, Doubtful Accounts, Income Taxes, etc.		222,532.52	
Pension Fund Reserve		50,000.00	
Property Reserve		1,277,581.66	
General Reserve		711,315.72	2,261,429.90
PROFIT AND LOSS ACCOUNT:			
Balance 1st September, 1931		$ 828,317.19	
Profit for fiscal year ended 31st August, 1932	$136,885.28		
Transfer from General Reserve	127,168.52	264,053.80	
		1,092,370.99	
Less: Provision for Depreciation and Doubtful Accounts	$127,168.52		
Dividends for Year	156,845.00	284,013.52	
Balance 31st August, 1932			808,357.47
			$8,751,428.79
INDIRECT LIABILITIES:			
Customers' Paper under Discount		$1,065,772.23	
Guarantee Purity Baking Company Limited—Loan		1,817,800.00	

We have examined the books and accounts of Western Canada Flour Mills Company Limited and Subsidiary Companies, The Brackman-Ker Milling Company, Limited, and Purity Flour Mills Limited, at 31st August, 1932, and we certify that all our requirements as Auditors have been complied with and report that, in our opinion, the above Consolidated Statement is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the aforementioned companies at 31st August, 1932, according to the best of our information and the explanations given to us and as shown by the books of the various companies.

Inventories have been certified as to quantities by the Companies' Officials at the various points and are conservatively valued.

Toronto, 12th October, 1932.

GEORGE A. TOUCHE & CO.
Chartered Accountants, Auditors.

Dairy Securities

BORDEN'S LTD.

Large Chain Develops Under Canadian Directorate and Management

Borden's, Ltd., the holding company for more than a score Canadian dairy companies acquired by the Borden Co., has continued in Canada its policies of consolidating efforts of the various subsidiaries, of pooling the milk supply when possible and of securing as harmonious relations as possible in every district with all producers.

Canadians are reported to own 7½ per cent of the shares of the parent company, which is a New Jersey incorporation and the leading dairy chain on the North American continent. The company's policy also has been to have in every plant management and employment in the hands of Canadians and the main contribution of the parent company has been in the pooling of experience over its vast field as to best methods of production, of marketing, of manufacture of special products and as to the most up-to-date machinery to employ. A Canadian directorate is in absolute charge of Canadian plants and Canadian policy.

The last plant remodelled by this company was that of City Dairy Co., Toronto, which when taken over in 1930 was up to the last minute, and now has been further improved until it is regarded as the best-equipped plant on the continent.

The various Canadian companies constituting Borden's, Ltd., had an aggregate net tangible investment of about $19,000,000 at last report, with aggregate sales annually of about $28,000,000.

Capitalization—	Authorized	Issued
Common .... (n.p.v.)	500,000 sh.	400,000 sh.

Officers and Directors—
Officers—J. W. McConnell, chm. of board; S. J. Moore, pres.; W. H. Dunn, vice-pres. and sec.; W. P. Marsh, treas. and asst. sec.; S. J. De Baun, asst. treas.; W. H. Rebman, asst. sec.
Directors—Hon. C. C. Ballantyne, W. H. Dunn, Sir C. Gordon, J. W. McConnell, Hon. Donat Raymond, Montreal; G. C. Edwards, Ottawa; P. D. Fox, A. T. Johnston, E. B. Lewis, A. W. Milburn, M. J. Norton, W. D. Strack, New York; S. J. Moore, Britton Osler, Toronto; Maj.-Gen. the Hon. S. C. Mewburn, Hamilton; H. H. Walker, Walkerville.

UNITED DAIRIES

Covers Alberta and British Columbia Communities Successfully

United Dairies, whose head office is at Calgary, Alta., covers in its operations a number of communities in Alberta and British Columbia. It has a strong working capital position, has been able in most years to pay dividends on its preferred stock regularly in addition to disbursements on common, and has achieved a considerable measure of success in its field.

Capitalization—	Authorized	Issued
1st pref. 6½% .. (Par $100).	$1,000,000	$752,200
2nd pref. 6% .... (Par $100).	400,000	400,000
Common (n.p.v.)	50,000 shs.	50,000 shs.

Funded Debt—
None.

Dividend Record—
1st Preferred—6½% cumulative, payable Jan. and July 2; paid regularly.
2nd Preferred—6% cumulative, payable Jan. and July 2; payment waived by shareholders Jan. 2, 1931; none paid since.
Common—Initial dividend of 25c. paid Jan. 2, 1930.

Officers and Directors—
J .W. Carlyle, pres.; T. M. Carlyle, vice-pres.; E. Richardson, sec.; Dr. T. E. Hays, W. N. Henderson, D. P. Carlyle, E. T Love, F. A. Manning, D. Morkeberg.

EASTERN DAIRIES

Earnings Drop and Dividend Deferred Owing to Difficulties

Position of Eastern Dairies over the past year has been affected by unsatisfactory marketing conditions in the Winnipeg, Montreal and Toronto areas. Inroads have been made on earnings, and lately the management found it necessary to defer payment of dividends on the common stock.

Eastern Dairies is regarded as the largest dairying organization in the Dominion, carrying on operations in Montreal, Hull, Toronto, Hamilton, Ottawa, Winnipeg, as well as a number of other small urban centres. The management has been aggressive in going after new business, and until lately the company has shown consistent growth both in sales and earnings.

Capitalization—	Authorized	Outstanding
Com. (n.p.v.)	*200,000 shs.	†93,951 shs.
Pref. 7% cum. .. ($100 par).	$5,000,000	$2,500,000

*48,000 reserved for conversion of Series "A" bonds.
†Of which 89,099 are issued and outstanding and 4,852 subscribed and allotted.

Funded Debt—
6 per cent first collateral trust convertible series "A" bonds, due 1949, outstanding $3,000,000.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable quarterly Jan., April, July and Oct. 15. Paid regularly.
Common—None at present. Initial dividend of 25c. paid Nov., 1930, and regularly quarterly, at that rate to and including Aug. 1, 1932; since passed.

Officers and Directors—
Officers—W. R. Aird, pres. and man. dir.; P. A. Thomson, vice-pres.; E. W. King, sec.-treas.
Directors—W. R. Aird, A. J. Nesbitt, C. B. Price, P. A. Thomson, H. R. Trenholme, all of Montreal.

Times Bond Interest Earned:

Yr. End. Mar. 31:	1932	1931
Before depreciation	*4.03	4.64
After depreciation	*3.02	3.53

*Times bond interest and premium paid and accrued on U. S. funds.

Earnings per Share and Dividend Record:

Preferred: Earned†	$9.33	$10.59
Paid—Acme Farmers ..	7.00	7.00
Crescent Creamery ..	7.00	7.00
Eastern Dairies	7.00	7.00
Common: Earned§	■1.10	*2.04
Paid	1.00	0.75

†Before income tax; calculated on combined preferred shares of company and subsidiaries then outstanding.
*Based on 74,099 shares which were outstanding.
§Before income tax.
■Based on 89,099 outstanding shares.

Five Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	413,511	229,113	34,107
1929	466,801	244,573	77,610
1930	724,987	279,682	153,442
1931	835,380	349,574	248,794
1932	801,689	383,099	257,682

Market Record—

	H *1932	L	H 1931	L	H 1930	L
Common ...	16	6½	25½	16	29	17½

*To Oct. 12.

CRESCENT CREAMERY
(Subsidiary of Eastern Dairies)

Capitalization—	Authorized	Outstanding
Preferred ...... Par $100.	$1,450,000	$1,000,000
Common, n.p.v. ..	50,000 shs.	50,000 shs.

Common all owned by parent company.

Dividend Record—
Preferred—7 per cent per annum, cumulative, payable Jan., Apr., July and Oct. 15. Paid regularly.

ACME FARMERS DAIRY
(Controlled by Eastern Dairies)

Capitalization—	Authorized	Outstanding
Common*, n.p.v.	150,000 shs.	83,420 shs.
Preferred .... Par $100.	$750,000	$700.000

*All common stock is owned by Eastern Dairies, with the exception of directors' shares.

Funded Debt—
Consists of $700,000, 7 per cent debenture notes, lodged as collateral for the parent company's funded debt.

Dividend Record—
Preferred—7 per cent per annum, payable Feb. and Aug. 10. Paid regularly.

Market Record—

	H *1932	L	H 1931	L	H 1930	L
Preferred ...	80	80	..	..	100	96½

*To Oct. 12.

Buywell
FOOD MARKETS LIMITED.

Operating a chain of food markets (formerly Stanford's, Limited), Buywell Food Markets, Limited, is showing a steady and satisfying increase in business — evidencing both public goodwill and confidence in the company's progressive administration.

M. ZAHLER, President
J. H. MAGID, General Manager
W. A. STANFORD, Secretary

Head Office: 1430 Mansfield St.
MONTREAL

DAIRY CORP. (CAN.)

Reduced Earnings For Most Subsidiaries as Result of Depression

Dairy Corp. of Canada through its subsidiaries reflected in reduced earnings varying phases of the economic depression in all sections of Canada.

The company's earnings are made through ownership of the following dairy companies: City Dairy, Ltd., (Winnipeg); The Davis Dairy, Limited, (Saskatoon); Edmonton City Dairy, Ltd., (Edmonton); Montreal Dairy Company, Ltd., (Montreal); The Prairie Creameries Ltd., (Regina); The Purity Dairy, Ltd., (Regina); Purity Ice Cream, Ltd., (Winnipeg) and Canada Dairies, Ltd., (Toronto). In addition to these companies, the company has substantial interests in various other dairy companies.

Total sales of all these companies in 1931 were $5,108,972 as compared with $5,765,473 in 1930. It is stated by the president, J. A. Caulder, that the decrease in sales value was entirely due to lower prices of commodities, because total unit sales in 1931 exceeded those of the previous year. There were losses in inventories as a result of dropping prices and especially as a result of the severe drop in butter and egg prices which took place in January, 1931. The same situation prevails in 1932 and there has been some further reduction in inventory values. By reason of these facts the Dairy Corporation has not paid the dividend on its six per cent preferred stock, since October 1, 1931. For the same reason the quarterly dividend due July 1 on both the eight per cent and seven per cent preferred of its subsidiary, City Dairy, Ltd., of Winnipeg, was deferred. The quarterly dividend due on the Class A common stock of Montreal Dairy Co. was paid on August 1 after being deferred from July 1.

Capitalization—	Authorized	Issued
Pref. 6% cum. .. ($100 par).	$3,000,000	†$1,235,800
Class "A" com.‡ (No par value).	150,000 shs.	27,448 shs.
Class "B" com. (No par value).	50,000 shs.	36,300 shs.

†In addition to outstanding amount shown there is $310,000 of this issue in hands of subsidiaries.
‡Sufficient class "A" shares are reserved for stock purchase warrants attached to the debentures and preference shares. The company also has granted options on 5,000 class "A" and 10,000 class "B" shares.

Funded Debt—
Sinking fund gold debs., 6 per cent, due 1945, Series "A," outstanding $500,000; Series "B" due 1945, outstanding $500,000.

Dividend Record—
Preference—6 per cent per share per annum, payable quarterly, Jan., April, July and Oct. 1. Initial dividend of $1.50 per share paid Oct., 1929, and payments were made regularly thereafter to and including Oct., 1931. Since passed.
Classes "A" and "B"—None paid to date.

Officers and Directors—
Officers—J. A. Caulder, pres. and man. dir.; J. M. Carruthers, vice-pres.; W. G. Brown, sec.; H. W. Tasker, treas.
Directors—J. A. Caulder, R. A. Daly, A. H. C. Beairsto, W. W. Evans, A. W. McLennan, J. A. McFeeters, J. P. Walwyn, Toronto, Ont.; J. M. Carruthers, Winnipeg; W. Ardern, Calgary; W. W. Prevey, Edmonton; F. E. M. Robinson, Richmond, P.Q.

	1931	‡1930
Times Deb. Int. Earned	3.60	19.55
Earnings per Share and Dividend Record:		
Preference: Earned	$6.82	$13.23
Paid	4.50	9.00
Class "A": Earned	†0.37	*4.43
Paid	Nil	Nil
Class "B": Earned	Nil	*1.01
Paid	Nil	Nil

*After deducting preference dividends actually paid.
†After deducting full year's dividend on outstanding preference.
‡June 10, 1929 to Dect. 31, 1930.

MONTREAL DAIRY

Capitalization— (Controlled by Dairy Corporation)	Authorized	Outstanding
Class "A" com.	100,000 shs.	31,520 shs.
Class "B" com. (N.p.v.)	100.000 shs.	100.000 shs.

As at Dec. 31, 1931, 21,520 class "A" and 91,634 class "B" shares owned by Dairy Corp.

Funded Debt—
6% 1st mtge. S. F. bonds, due 1950, outstanding $1,000,000.
7% gen. mtge. gold bonds, due 1945, outstanding $500,000.

Dividend Record—
Class "A": $1.75 per annum, cumulative, payable Jan., Apr., July and Oct. 1; initial dividend paid April 1, 1931, and regularly to and including Apr. 1, 1932; none since.
Class "B": Initial dividend of 50c. per share paid Dec. 1, 1931. None since.

Times Bond Interest Earned:	1931
Before depreciation	2.79
After depreciation	2.16
Earnings per Share and Div. Record:	
Class "A": Earned	$3.38
Paid	1.75
Class "B": Earned	0.51
Paid	0.50

CITY DAIRY, LTD., of Winnipeg
(Controlled by Dairy Corporation)

Capitalization—	Authorized	Outstanding
Pref. 8% cum.	$250,000	$250,000
Pref. 7% non-cum. Par $100.	200,000	200,000
Common, n.p.v. ..	25,000 shs.	18,600 shs.

All common stock owned by Dairy Corporation.

Funded Debt—
6% 1st mtge. S. F. bonds, series "A" due 1948, outstanding $235,000; series "B" due 1950, outstanding $196,000.

Dividend Record—
Preferred—8% cumulative, 7% non-cumulative, payable Jan., April, July and Oct. 1; both paid regularly since incorporation to and including Apr., 1932; since deferred.
Common—Initial dividend of $1 paid April, 1931; 50c. paid Nov., 1931.

Officers and Directors—
Officers—J. M. Carruthers, pres. and gen. man; J. A. Caulder, vice-pres.; R. J. L. Ball, asst. gen. man.; E. G. Moor, sec.-treas.
Directors—J. M. Carruthers, E. W. McLean, W. R. Milton, R. J. L. Ball, W. T. Kennedy, Winnipeg; J. A. Caulder, Toronto.

Times Bond Interest Earned:	1931	1930
Before depreciation	3.73	5.17
After depreciation	2.81	3.93
Earnings per Share and Dividend Record:		
8% pref.: Earned	$17.64	$25.43
Paid	*8.67	8.00
7% pref.: Earned	11.22	21.79
Paid	*7.58	7.00
Common: Earned	.39	1.59
Paid	1.50	Nil

*13 months' dividend to adjust. payment dates.

Edmonton City Dairy
(Controlled by Dairy Corporation)

Capitalization—	Authorized	Outstanding
Pref. cum. Par $100.	$1,000,000	$787,000
Common No par value.	30,000 shs.	30,000 shs.

Over 29,000 common shares are owned by Dairy Corporation.

Dividend Record—
Preference—6½ per cent per annum, cumulative, payable quarterly, Jan., Apr., July and Oct. 1. Initial dividend at rate of 6½ per cent per annum, paid Apr. 1, 1929, and regularly since.
Common—Initial dividend of $1.00 per share paid Jan. 2, 1930. None since.

Officers and Directors—
Officers—W. W. Prevey, pres.; J. A Caulder, vice-pres.; H. P. Madsen, sec.-treas.
Directors—W. W. Prevey, H. P. Madsen, W. A. Thomson, Edmonton; C. Burnell, North Edmonton; W. Ardern, Calgary; J. A. Caulder, Toronto.

	——12 Months Ended—— Dec. 31	Dec. 31	Mar. 31
Earn. per Share and Div. Record:	1931	1930	1929
Pref.: Earned	$11.27	$9.39	$8.72
Paid	6.50	6.50	*
Com.: Earned	1.14	0.79	1.86

Paid $1.00 Jan. 2, 1930. None since.
* Initial dividend paid April 1, 1929, for period from Feb. 20, 1929, to March 31, 1929. Interest in lieu of dividends also paid.

Market Record—

	*1932 H	L	1931 H	L	1930 H	L
Common	..	..	15	15	19	15
Preferred	..	..	80	78⅝	90	78

* To October 13.

SILVERWOOD'S

Large Dairy Chain Had Quick Expansion — Debentures Offered

Silverwoods' Dairies, through subsidiary and associated companies, is engaged across Southern Ontario in the sale, retail and wholesale, of milk, cream, eggs and poultry and the manufacture distribution of butter, ice cream, condensed milk, evaporated milk, powdered milk, buttermilk powder and other dairy specials and also artificial ice. The company also operates eight public cold storage warehouses with more than 600,000 cu. ft. of space. The company has 950 employees with a payroll of about $1,250,000 annually. The territory in which it operates has a population of 1,600,000.

The company expanded operations through sale of stock to the public, and succeeded in maintaining all dividends until recently by reason of the fact that its plants and markets have been concentrated almost entirely in the most populous parts of Ontario.

The capitalization of the company has been built up mainly by the exchange of stock with the subsidiary companies. Except for bond issues of subsidiary companies, expansion has been financed mainly through stock sales until this year when the company secured authority to issue $750,000 six per cent ten-year collateral trust sinking fund debentures and about $180,000 were sold by means of a direct campaign among customers. This money was used in taking care of maturing mortgages on branch plants and it is stated that prior obligations to the preferred stock have therefore not been increased. The proceeds of remaining debentures when issued will be used to strengthen working capital.

Sales in the year ended April 2, 1932, amounted to $6,640,722 and the net profit was $300,040 after writing off to depreciation $326,856. Dividends on all classes of stock left a small loss of $9,638. The president, A. E. Silverwood, states his belief that the company will be able to continue the preferred dividend.

Capitalization—	Authorized	Outstanding
7% cum. pref. ($100 par).	$5,000,000	$3,332,500
6% cum. pref. ($100 par).	5,000,000	......
Class "A" com. (No par value).	975,000 shs.	147,765 shs.
Common (No par value.	25,000 shs	25,000 shs.

Funded Debt—
In May, 1932, company offered direct to customers and others $750,000, 6 per cent 10-year collateral trust sinking fund debentures, series "A." As at Aug. 1, 1932, approximately $135,000 was outstanding.

Funded Debt of Subsidiaries:
7 per cent first mortgage bonds of Silverwoods, Ltd., due 1937; outstanding $153,900.
6½ per cent first (closed) mortgage sinking fund bonds of Silverwood's St. Catharines Dairy, due 1948; outstanding $44,100.
6½ per cent first (closed) mtge. sinking fund bonds of Silverwood-Burke Dairy, due 1943; outstanding $1,000.
7½ per cent first mtge. bonds of St. Clair Ice Cream Co., due 1933; outstanding $5,000.
6 per cent first mtge. bonds of London Cold Storage Co., due 1938; outstanding $34,650.

Dividend Record—
7% preferred—7 per cent per annum, cumulative, payable Jan., Apr., July and Oct. 1. Initial dividend 1¾ per cent paid Oct. 1, 1928, and regularly thereafter to April 1, 1932, when declaration of quarterly dividend was deferred. Payment deferred to June 1, 1932. Quarterly payment due July 1 paid July [illegible], 1932. 1¾ per cent paid Oct. 1, 1932.
Class "A" [illegible]
Was $1.00 per annum payable Jan., April, July and Oct. 1. Initial [illegible] per share paid [illegible], and regularly thereafter to Oct., 1931, when 12½ cents paid.

Officers and Directors—
Officers—A. E. Silverwood, pres. and gen. mgr.; W. E. Robinson, vice-pres.; G. H. Belton, 2nd vice-pres.; J. H. Duplan, asst. sec.; J. H. Gillies, sec.; [illegible]
Directors—A. E. Silverwood, W. E. Robinson, G. H. Belton, R. G. Ivey, London; [illegible]; E. W. Nesbitt, Woodstock, Ont.; W. H. Carruthers, Toronto, Ont.

	12 mos. ended April 2 1932	16 mos. ended Sept. 27 1930
Earn. per Share and Div. Record—		
7% pref.: Earned	[illegible]	[illegible]
Paid	7.00	[illegible]
Cl. "A" and com. shares:		
Earned	[illegible]	[illegible]
Paid	[illegible]	[illegible]

*Excluding $40,000 received under dividend guarantee. Including this amount the earnings were $9.88 per share, and on the combined class "A" and common stock $1.29 per share.

This
FOOD DISTRIBUTING ORGANIZATION *is*
a **CANADIAN INSTITUTION**

THE National Grocers Company, Limited, is a truly Canadian Institution.

Its thirty-one distributing warehouses, located at chosen strategic centres, are staffed entirely by Canadians.

Its personnel is Canadian throughout.

Its financial ownership and control is entirely Canadian.

This Canadian institution is enabling thousands of independent retail dealers to operate more economically and efficiently. National Grocers' service, through its thirty-one warehouses, affords dealers a quickness of delivery that makes possible more frequent stock replenishment, saves long haul costs, and keeps dealers more closely in touch with their source of stock supply.

●

NATIONAL GROCERS
COMPANY, LIMITED

Head Office:
21 Front Street East, Toronto

31 Distributing Warehouses in Ontario

Board of Directors:
Archie Foster, President; John Medland, Vice-President; Marland Woolnough, Chairman; J. H. Simpson, T. H. Kinnear, Hon. George Gordon, A. J. Major, M. D. Lemon, W. G. McLauchlan, W. H. Kenny, and D. Blain.

City Dairy

City Dairy Co., Limited
The Drimilk Co., Limited
Head Offices, Spadina Crescent, Toronto

Plants of the Company at:
TORONTO
WOODSTOCK
EMBRO
SIMCOE
LISTOWEL
STRAFFORDVILLE
NEW LOWELL
PRINCETON

Branch Offices and Warehouses at:
MONTREAL, QUE.
WINNIPEG, MAN.
VANCOUVER, B.C.
SAINT JOHN, N.B.
LONDON, ENGLAND

S. J. MOORE ESQ.
Chairman of the Board

LT. COL. C. M. RUTTAN
President

Canning and Packing

BRITISH COLUMBIA PACKERS

Responsible For Half Pacific Coast Salmon Pack—Former Surplus Sold at Low Prices—Prices Rise

British Columbia Packers, which through its subsidiaries is the principal salmon packing company on the Pacific coast of Canada, has continued through 1932 its efforts to reverse the downward trend which began in 1930 and which was not entirely stopped by the drastic measures taken in 1931. Because of dropping world prices, the increasing competition in the British market with Japanese and Russian salmon canners and the drop in commodity prices everywhere, losses of the company replaced the surplus of $715,259 on February 28, 1930, by February 29, 1932, with a deficit of $1,659.760.

Part of this was due to the enormous inventories built up in 1930, amounting to $2,617,207 on February 28, 1931. This had been reduced by continuous liquidation to $771,713 on February 29, 1932, and bank loans necessarily have been liquidated also from $3,042,000 to $464,000 as a result. In 1931 there was restricted fishing because of the excess supplies already on the market.

Make Larger Pack

In the current season the industry as a whole has packed more vigorously to make up for the consumption of world visible supplies. The salmon pack so far recorded this year totals 949,211 cases as compared with 646,015 cases for the corresponding season in 1931. This is only half the second pack of 1930 and B. C. Packers is responsible for one-half the total. It has now marketed the 1930 surplus and sold ahead this year's catch.

A new factor has been introduced into the fish packing situation in British Columbia in that the Dominion government has established grades and government inspection. All salmon falls into either one of two merchantable grades of sound salmon, everything falling below the second grade being destroyed or used otherwise than for food. It is hoped that this grading will lead to a preference being given in world markets to B. C. salmon products. Some companies in the industry urge that this grading does not sufficiently recognize different species of salmon and the districts from which they are obtained. However, it is expected that the commission put in operation of inspection will develop methods which will be of value to the industry as a whole.

At the end of the last fiscal year the company had a working capital deficit of $392,805 as compared with a fluctuating surplus in previous years. The first effort of the company must be to repair this situation. The old surplus was sold at low prices. This year's pack brought better prices and it is anticipated that it will enable the company to wipe out its bank loan almost entirely.

Capitalization—	Authorized	Outstanding
Pref. cum	$5,000,000	$3,939,500
Par $100.		
Common, n.p.v. ..	500,000 sh.	277,556 sh.

Dividend Record—

Preference—7 per cent per annum, cumulative from April 1, 1929, payable quarterly, July, Oct., Jan. and April 1. Initial dividend paid July 1, 1929, and regularly to Oct. 1, 1930. Dividend due Jan. 1, 1931, deferred. None since.

Common—None paid to date.

Officers and Directors—

Officers—Æmilius Jarvis, chm. of the board; Stanley J. Burke, pres.; C. C. Thomas, man. dir.; S. K. Murray, gen. sales mgr.; J. M. Buchanan, sec.; L. N. Hill, purch. agt.

Directors — Stanley J. Burke, F. E. Burke, George E. Kidd, H. R. MacMillan, J. P. D. Malkin, C. C. Thomas, S. K. Murray, all of Vancouver; J. H. Gundy, Æmilius Jarvis, Toronto; A. H. Williamson, Winnipeg.

Earnings per Share and Dividend Record:

Yr. end. Feb. 28:	1932	1931	1930
Preferred: Earned	nil	nil	$5.88
Paid	nil	$5.25	5.25
Common: Earned .	nil	nil	†nil
None paid.			

†After allowing for preferred dividend of $6.42, representing requirements for eleven months from April 1, 1929 to February 28. 1930.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Common ...	3.50	.60	3½	½	13¾	2
Preferred ..	8½	4	22	5	58½	25

*To Oct. 17.

CANADA PACKERS

Maintains Strong Liquid Position Although Earnings Are Down

Canada Packers Ltd. produces a full line of packing house products and owns ten packing plants, of which four are in Toronto, two in Montreal and one in Chicago. The company was formed in 1927 through a merger of Harris Abattoir Co., Gunns Ltd., Canadian Packing Co. and Wm. Davies Co. The company maintains distributing branches and warehouses throughout Canada and is substantially interested in the export field.

In the year ended March 31, 1932, the company was affected by a continued downward movement of commodity prices and took losses on inventories, but was able to meet all fixed charges and show a net profit of $450,303 available for preference dividends which amounted to $422,319. During the year the company improved its working capital position and in March 31, 1932, had current assets of $9,797,300, against current liabilities of $2,957,536, a ratio of 3.31 to 1. Secured bank loans amounted to $1,651,558, which was considerably under the 1930 level and the company had, at March 31, 1932, some $1,300,000 in cash, government bonds and loans.

At January 1, 1932, the company closed the Toronto plant of the Wm. Davies Co., in order to reduce operating costs and operations have been consolidated as far as possible. A further development of the export market would aid the company and officials of the company have always been anxious to co-operate with farm producers in order to secure best possible trade and sufficient volume of cattle and hogs for the maintenance or steady shipments to the British market.

Capitalization—	Authorized	Outstanding
Pref. 7% cum.	$10,000,000	$6,033,500
(Par $100).		
Common (n.p.)	200,000 sh.	200,000 sh.

Funded Debt—

None. As at March 31, 1932, bond issues of subsidiary companies outstanding amounted to $5,152,900.

Dividend Record—

Preferred: 7%. cumulative from July 1, 1927; initial dividend of 1¾% paid April 1, 1929, and regularly since. No arrears have been paid. Common: none paid.

Officers—J. S. McLean, pres; E. C. Fox, T. F. Matthews and W. T. Harris, vice-presidents; S G. Brock, sec.-treas.; N. J. McLean, gen. mgr.

Directors—J. S. McLean, E. C. Fox, T. F. Matthews, N. J. McLean, W. S Cameron, R. W. Perry, W. T. Harris, A. L. Laing, A. G. Hall and C. Laursen, all of Toronto; J. Harris, Winnipeg; G. S Matthews, Peterboro.

Earn. per Share and Div. Record—

Yr. end.:	Mar. 31 1932	Mar. 26 1931	Mar. 27 1930
Pref.: Earned† ..	$7.46	$13.58	$24.76
Paid	7.00	7.00	7.00
Common: Earned†	0.14	2.01	5.53
None paid.			

†Without allowance for arrears of dividends on preferred amounting to $10.50 per share.

Four Years Earnings—

Year	Earnings* $	Dividends $	Surplus $
1929	1,503,298	115,939	2,598,444
1930	1,552,072	444,738	3,706,569
1931	838,112	435,395	4,111,638
1932	450,303	422,319	4,078,622

*After all expenses, bond interest, income tax provision for current year, and depreciation.

Wm. Davies Co., Inc.
(Controlled by Canada Packers)

Capitalization—	Authorized	Outstanding
Class "A" com	60,435 shs.	60,435 shs
Class "B"	60,000 shs	60,000 shs.
(No par value).		

Canada Packers Ltd. owns all except 31 shares of Class "A" stock and all the Class "B" stock.

Funded Debt—

Six per cent first mortgage sinking fund bonds, Series "A," due 1942; outstanding $1,625,000. An additional $1,500,000 of series "B" authorized but not issued.

Officers — E. C. Fox, pres.; R. W. Perry, vice-pres.; S. G. Brock, sec.-treas.

Directors—E. C. Fox, J. S. McLean, N. J. McLean, R. W. Perry, and S G. Brock, all of Toronto, Ont.

Harris Abattoir
(Entirely owned by Canada Packers)

Capitalization—	Authorized	Outstanding
Stock	$5,000,000	$2,555,000

(Par $100. All owned by the parent company).

Funded Debt—

Six per cent first mortgage sinking fund bonds, series "A," due 1947; outstanding $3,527,900.

Officers—W. T. Harris, pres; J S. McLean, vice-pres.; J. Harris, vice-pres.; S. G. Brock, sec.-treas.; C. Wadge, asst sec., W. S. Cameron, man. dir.

Directors—J Harris, Winnipeg; J. S McLean, S. G. Brock, W. T. Harris, N. J. McLean, W. S. Cameron, H. H McKee, J. S. Willis, C. C. Polkinghorne, C. Wadge, and C. Laursen, all of Toronto.

Gunns Ltd.
(Entirely owned by Canada Packers)

Capitalization—	Authorized	Outstanding
Common (n.p.v.)	3,000 shs.	3,000 shs.

The entire capital stock is owned by Canada Packers.

Officers and Directors—

Officers—J. S. McLean, pres.; Brig. Gen. J. A. Gunn and N. J. McLean, vice-pres's.; S. G. Brock, sec.-treas

Directors—J. S. McLean, N. J. McLean, Brig.-Gen. J. A Gunn, W S Cameron and S. G. Brock, all of Toronto.

Canadian Packing
(Entirely owned by Canada Packers)

Capital Stock—

All owned by Canada Packers, Ltd.

Officers and Directors—

Officers—T. F. Matthews, pres.; J S. McLean. vice-pres.; S. G. Brock, sec.-treas.

Directors—T. F. Matthews, J. S. McLean, N. J. McLean, E. C. Fox, G. S. Matthews, W. S. Cameron.

CAN. CANNERS

Leading Unit in Industry Gets Aid From Better Price Structure

Canadian Canners in 1932 is apparently getting some relief from the keen price war induced in the industry by the fact that many competing units had largely increased their packs in 1930 and 1931. These excessive holdings pressed heavily on the market and in the case of peas, beans, tomatoes and corn produced prices at which a profit was impossible. As Canadian Canners packed many other fruits and vegetables it had a number of profitable lines to help make up for the loss on the four.

In the case of Canadian Canners which did a foreign business, considerable losses on foreign exchange had also to be provided for because of the extraordinary fluctuations in various countries.

In the year ended February 29, 1932, the company reduced its bank loan by $500,000, improved its cash position and slightly reduced its inventories. In the current year this process has gone still further, it is understood. Prices have revived somewhat because the weaker members of the industry have not been able to get banking accommodation to purchase crops which would add unduly to excessive inventories already on the market. Progress has therefore been made in disposing of these inventories and the policy of purchasing much less this year than usual from farmers is expected to continue due to measures adopted until this and other companies are in a better position.

By reason of the conditions obtaining Canadian Canners found it advisable to stop the common dividend and reduce the second preferred to a basis of 40 cents annually. Dividends on the first preferred and second preferred were not earned in the last year but as they are still continuing it is believed that a more hopeful operating position has obtained this year.

Capitalization—	Authorized	Outstanding
1st pref. 6% ($100 par).	$5,000,000	$4,557,150
2nd conv. pref. (n.p.v.)	400,000 sh.	368,732 sh.
Com. (n.p.v.)	200,000 sh.	137,784 sh.

Funded Debt—

General mortgage bonds, 6 per cent, due 1950, $2,398,000. First mortgage sinking fund, 6 per cent bonds of Dominion Canners, due 1940, $1,046,800.

Dividend Record—

1st preferred: 6%, cumulative, payable 1st Jan., Apr., July and Oct.; paid regularly since Jan., 1928. Second preferred: present rate 40c. per share per annum, payable Jan., Apr., July and Oct. 1. Common: none at present.

Officers and Directors—

Officers—Avern Pardoe, pres.; Mark Bredin, chm. and 1st vice-pres.; W. R. Drynan, 2nd vice-pres. and gen. mgr.; C. E. Innes, asst. gen. mgr.; P Croucher, sec.-treas.

Directors—W. R. Drynan, A Leitch, Hamilton; Avern Pardoe, W. G. Lumbers, H. C. Scholfield, Mark Bredin, J. A. Northway, Toronto; W. G. MacKendrick, Oakville; W. L. Innes, C. E. Innes, Simcoe; E. A. Pearce, Picton, G. C Edwards, Ottawa.

Times Interest Earned—

	1932	1931	1930
Before depr. & after exch., int., etc. .	1.46	4.78	7.29
After depr., exch., int., etc.	0.51	3.85	5.76

Earn. per Share and Div. Record—

	1932	1931	1930
1st pref.: Earned .	Nil	$13.46	$27.38
Paid	$6.00	6.00	6.00
2nd pref.: Earned*	Nil	0.93	2.67
Earned†	Nil	0.77	1.00
Paid	0.77	0.93	0.80
Common: Earned†	Nil	0.42	4.45
Paid	0.42½	0.87½	0.50

*Before taking into consideration dividend provision governing second preference and common shares.

†After taking into consideration dividend provision governing second preference and common shares.

Seven Years' Earnings—

Year	Earnings $	Dividends $	Surplus $
1925*	722,423	295,874	995,620
1926*	777,229	364,568	520,454
1927*	813,465	442,038	655,548
1928*	836,205	492,167	766,130
1930†§	1,909,633	633,551	980,208
1931†	1,025,037	739,591	851,382
1932†	511,656	612,053	541,013

*Year ending Dec. 31.
†Year ending Feb. 28.
§Jan. 1, 1929 to Feb. 28, 1930.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Common	6¾	1¾	13¼	8	22¼	12¾
1st pref.	80	40	92¼	80	94	86
2nd pref.	9	3¾	14	8⅝	22¼	13¼

*To Oct. 12.

CONNORS BROS.

Adverse Exchange Situation Affects Foreign Trade

Investment interest in Connors Bros., operators of the largest sardine canning factory in the world at Black's Harbor, N.B., is limited to the first mortgage bonds. Since the new management took hold, the company has built up an extensive export trade in all corners of the globe. Like all other exporters Connors Bros. have affected by the disturbance in the international monetary situation, which has limited trade and, to some extent, affected earning power.

No financial statement is issued by Connors Bros. but the management make a brief statement each year to the effect that the bond interest has been earned.

Capitalization—	Authorised	Outstanding
Pref. ($100 par)	$250,000	$250,000
Com. (n.p.v.)	5,000 shs.	4,000 shs

Funded Debt—

6½% first mortgage sinking fund coupon bonds, due 1938; $250,000 originally outstanding; $10,000 being redeemed each year through sinking fund. Outstanding Dec. 31, 1930, $150,000.

Officers and Directors—

Officers—A. N. McLean, pres.; L. V Lingley, vice-pres.; A. M. A McLean. treas.; J. M Scovil, sec.

Directors—A. N. McLean, L V. Lingley, J. M. Scovil, Hon. B. M Hill, Saint John, N.B.; C. H. Easson, Toronto; A M. A. McLean, Black's Harbour, N.B.

Dividend Record—

Preferred: 7% payable quarterly Common: $4 per share, payable quarterly, with bonus if business warrants; total of $5 paid in 1927, $6 in 1928, $7 in 1929, $8 in 1930, $4 in 1931.

BURNS & CO.

Protective Committee Watches Interests of Bondholders

Burns & Co. operates a meat packing and wholesale foodstuffs business in Western Canada and also maintains a chain of retail stores, although a number of retail units have been sold during the past few months. The company owns six packing houses, cold storage facilities, a number of creameries and cheese factories and wholesale fruit depots and also has ice cream and milk distribution plants. In 1930 the company barely managed to earn bank and bond interest before provision for depreciation. In 1931 it failed to earn interest charges and after provision for these charges and depreciation had a deficit of $531,124.

In May, 1932, bondholders agreed to postponement of bond interest payments until December 1, 1933, and all sinking fund payments up to the same date. A bondholders' protective committee was formed and this committee has been closely in touch with the position of the company during the present year and a statement to bondholders is expected shortly.

Earnings of the company have continued to decrease in 1932, although some improvement has been shown in more recent months. If a better export market is developed for live stock and other farm products in the British Empire as a result of the British Empire Conference, the company is expected to be beneficially effected. Low prices on commodities and a reduced purchasing power in Western Canada were among the contributory factors to the company failing to earn its fixed charges. It is expected that an improvement in the company's earnings will be shown if commodity prices strengthen and purchasing power is increased in the West.

Capitalization—	Authorised	Outstanding
Pref. 6% ($100 par).	$12,000,000	$6,904,300
Manag'mt ft. shs.	3 shs.	3 shs.
(No par value).		
Com. (n.p.v.)	149,997 shs.	119,997 shs.

Funded Debt—

First mtge. 5½% series "A" sinking fund gold bonds, due 1948; outstanding, $6,800,900.

Dividends—

Preferred: 6 per cent cumulative, payable Jan., Apr., July and Oct. 1; paid regularly to Oct. 1, 1930; none since. Common: None paid.

Officers and Directors—

Officers—Hon. P. Burns, chm. of board; J. Burns, pres. and gen. mgr.; W. J. Blake Wilson, vice-pres.; W. E. Corlet, sec.; N. Hindsley, treas.

Directors—Hon. P. Burns, J. Burns, W. E. Corlet, N. Hindsley, J. I McFarland, A. C. Newton, W. Toole, Calgary; W. J. Blake Wilson, Vancouver; W. S. Hodgens, Toronto.

Times Bond Interest Earned—

	1931	1930
Before depr. but after bank int.	0.44	1.00
After depr. and bank int.	nil	....

Earn. per Share and Div. Record—

	1931	1930
Preferred: Earned	....	*$0.02
Paid	....	4.50
Common: Earned	....	....
None paid.		

*Before provision for depreciation.

Four Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1928	1,409,612	343,295	252,483
1929	1,447,007	416,250	325,637
1930	687,532	312,531	14,628
1931	299,289	....	*516,461

*Deficit.

(Continued on page 16)

GROCERIES
THE GREAT ATLANTIC & PACIFIC TEA CO.
LIMITED OF CANADA
MEATS
A&P

"WHERE ECONOMY RULES"

In Canada, corporations which apply all the science and skill at human command toward increasing the efficiency of their businesses are no novelties. But usually manufacturing concerns receive the credit.

It is true that distribution, until recently, remained almost free of organized responsibility. It was, for the most part, a system of rule-of-thumb, roundabout methods. A statement published some time ago, and generally accepted, estimated the waste in distribution on this continent at $10,000,000,000 annually.

A & P discovered long ago that it is not necessary to reduce the quality of goods in order to reduce prices. It is necessary only to reduce waste.

A & P has applied to its business the economies that long lay dormant in mass distribution. We have been everlastingly on the alert for more efficient methods of food growing and producing, of buying, of shipping, of handling, trucking, and warehousing, of marketing and retailing — for every means of facilitating the flow of food from its sources to the store counter.

Through the reduction of waste, and small profits, we have made available to the masses food that was once the luxury of the few.

A&P ESTABLISHED 1859 WHERE ECONOMY RULES

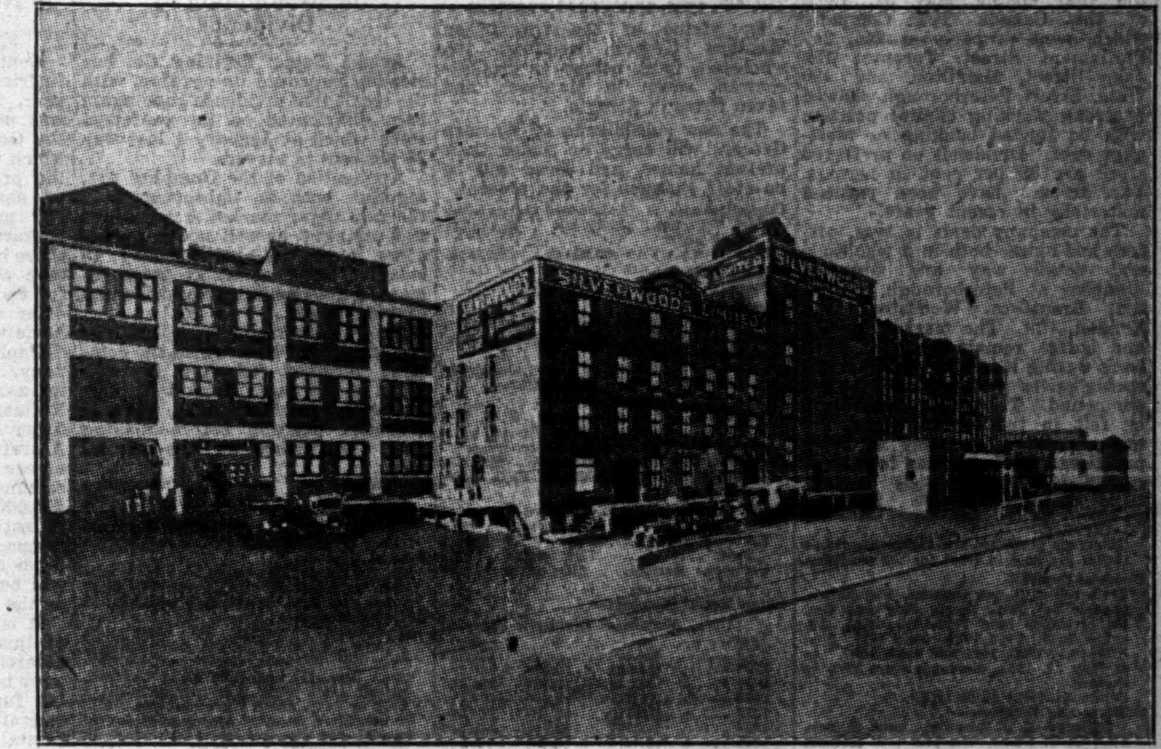
THE GREAT ATLANTIC & PACIFIC TEA CO.
LIMITED OF CANADA

OPERATING OVER THREE HUNDRED STORES IN CANADA

Province Wide Distribution

Serving 100,000 Customers in Ontario

Annual sales include approximately Thirty Million Quarts of Silverwood's "Safe Milk," One Million Gallons of Silverwood's "Smoother than Velvet" Ice Cream and Five Million Pounds of "Silverwood's" and "Elmira" Finest Creamery Butter.



The Silverwood Plant at London, Ontario

Operating Plants at

London
Toronto
Windsor
Chatham
Brantford
Hamilton
Kitchener
St. Catharines
Peterborough
Elmira
Lucknow
Cargill
Stratford
Sarnia
Woodstock
Guelph
Fergus
Forest
Cayuga
North Bay
Sudbury

Silverwood's
DAIRIES, LIMITED

Producers and Purveyors of

Safe Milk — Jersey Milk — Table and Whipping Cream — Buttermilk — Ice Cream — Evaporated Milk — Cheese — Creamery Butter — Powdered Milk — Condensed Whole Skim Milk — Buttermilk Powder — Ice Cream Sundries — Semi-Solid Buttermilk — Eggs — Poultry — Frozen Eggs — Soda Fountain Supplies

Owned and Operated by Over Five Thousand Canadian Shareholders, including Producers, Consumers and Employees

CANNING AND PACKING (Cont'd)

ASSOC. QUALITY CANNERS

Whittall Subsidiary Recovering from Bad Setback in 1931

Some improvement is looked for in the position of Associated Quality Canners subsidiary of Whittall Can Co., following upon heavy inventory losses last year.

During the year ended February 29, 1932, the company reported a net operating loss of $539,545. After taking care of other charges, and taking into consideration the previous balance of $106,494, the company carried forward into the current year a deficit of $577,945. The balance sheet also indicates a weakened financial position, there being among current liabilities bank loans to the amount of $1,855,000. Working capital position as last reported was unsatisfactory, current liabilities showing an excess over current assets of $600,430.

ASSOCIATED QUALITY CANNERS
(Controlled by Whittall Can Co.)

Capitalization—

	Authorized	Outstanding
Common (n.p.v.)	100,000 shs.	80,600 shs.

58,335 shares of the outstanding stock owned by The Whittall Can Co.

Funded Debt—
None.

Dividends
Common—None at present. Was $1.50 per annum payable quarterly March, June, Sept. and Dec. 1. Initial dividend of 37½ cents paid Dec. 1, 1928, and regularly until Dec. 1, 1930. Payment due March 1, 1931, passed. None since.

Officers and Directors—
Officers—A. R. Whittall, pres.; Hon. Manning Doherty, vice-pres.; W. R. Whittall, gen. mgr.; P. G. Prior, sec.-treas.
Directors—F. R. Whittall, D. S. Whittall, A. R. Whittall, F. A. Whittall, Col. E. G. Hanson, J. A. Mann, G. Robertson, Montreal; Hon. Manning Doherty, Toronto.

Earnings per Share and Dividend Record:

	1932	1931	1930
Com.: Earned	....	....	$2.31
Paid	....	$1.12½	1.50

Four Years' Earnings—
Year End. Feb. 28:

Year	Earnings $	Dividends $	Surplus $
1929	298,636	60,000	160,795
1930	261,382	120,675	226,236
1931	52,744	90,675	106,494
1932	‡539,545	......	†577,945

‡Loss. †Deficit.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Common	3	3	10	6	18½	10

*To Oct. 11.

BLUE RIBBON

Now Pays Willard Dividend — Report to Appear at End of October

Blue Ribbon Corp. was formed in 1930 through merger of Pure Gold Mfg Co. of Toronto and Blue Ribbon Ltd., of Winnipeg. The company handles a varied line of food products, including tea, coffee, spices, etc., which are imported and blended while manufacturing of a considerable number of lines is carried on and includes baking powder, flavoring extracts, spices, jelly powders, cereals, chocolate bars and grocery sundries. The company distributes its products throughout Canada and also has some export business.

In December, 1931, an offer was made to common shareholders of Willards Chocolates Ltd. whereby Blue Ribbon Corp. took over management of Willards Chocolates with option to buy Willards common stock at $15 per share on or before April 15, 1935. Blue Ribbon Corp. also guaranteed the 6½ per cent dividend on the Willard preferred stock up to the same date. Providing certain of the Willard assets have been disposed of by this date, Blue Ribbon wil acquire control of Willards assets and goodwill, including the plant in Toronto.

The annual statement of the company will be issued late in October and the only indication of trend of business during the current year is the omission of the Blue Ribbon common dividend of February 1, 1932, and reduction of the rate on the 6½ per cent preferred stock to $3.25 per year. The Willard Company has been unable to earn its preferred dividend requirements during 1931 and it is understood that dividends paid on this stock this year have been met by Blue Ribbon Corp.

Capitalization—

	Authorized	Outstanding
Common	150,000 shs.	63,475 shs.
No par value.		
Pref. cum. conv.	$1,500,000	$1,443,000
Par $50.		

Dividend Record:
Preferred—6½ per cent, cumulative, payable Feb., May, Aug. and Nov. 1 Paid regularly from Aug., 1930, to Nov., 1931; rate reduced to 4 per cent by payment of 50c. Feb. 1, 1932. Common: Present rate $2 per share per annum, payable Feb., May, Aug. and Nov. 1; paid regularly from July, 1930, to Nov., 1931; none since. Dates of payment changed May, 1931.

Officers and Directors—
Officers—W. S. Greening, pres.; A. C. Matthews, vice-pres.; J. C. Jamieson, sec.-treas.; J. Ball, asst. sec.
Directors—W. S. Greening, Lt.-Col. J. F. Michie, W. K. Fraser, A. C. Matthews, P. W. Beatty, Toronto; Isaac Pitblado, J. M. de C. O'Grady, Winnipeg.

Earn. per Share and Div. Record:

	1931	1930
Pref.: Earn.	$7.28	**$7.61
Paid	3.25	§
Com.: Earned	1.81	**2.05
Paid	††1.50	§

§ Amount not stated. ** Based on net profit: common calculated after deduction of full year's preferred dividend. †† Not including initial dividend of 50c. a share paid July 2, 1930, and deducted in 1930.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Common	8	2	20	7	19	10
Pref.	25	9	39¼	27	38	28

* To October 13.

CANADA VINEGARS

Company Has Maintained Common Dividends to Date

Canada Vinegars, which owns and operates 13 plants in various parts of Canada to manufacture vinegar, has still managed to maintain through 1932 as during the other years of the depression its common dividend at the rate of $1.60 per annum. The company has no funded debt and no prior securities and on November 30, 1931, the end of its previous fiscal year, it owed nothing to the bank. The company has a strong working capital and has with some fluctuations shown stable earning power within the last four or five years, or ever since it was organized in 1928.

Capitalization—

	Authorized	Outstanding
Common	100,000 shs.	92,000 shs.
No par value.		

Dividend Record—
Common — $1.60 per annum, payable quarterly, Dec., March, June and Sept. 1. Initial dividend of 40 cents paid Sept., 1928, and regularly since.

Officers and Directors—
Officers—W. D. Wilson, pres.; C. L. Carsley, vice-pres.; A. L. Spalding, gen. mgr.; E. S. Scott, asst. gen. mgr.; E. A. Isard, supervisor of factories; F. H. Yapp, hon. sec.; Percy L. Howell, sec.-treas.
Directors—W. D. Wilson, A. L. Spalding, W. E. Young, E. S. Scott, Toronto; C. L. Carsley, A. E. Mansfield, Montreal; E. A. Isard, F. H. Yapp, Hamilton; E. L. Isard, Winnipeg; E. W. Howell, C. Fry, Norwich, Ont.

Earn. per Share and Div. Record:

	1931	1930	1929
Com.: Earned	$1.83	$1.82	$2.01
Paid	1.60	1.60	1.60

Four Years' Earnings:

Year	*Earnings $	Dividends $	Surplus $
1928†	256,991	73,600	120,928
1929	249,363	147,200	158,285
1930	232,588	147,200	178,988
1931	251,390	147,200	200,463

* After all costs of operation, management, selling and office overhead expenses.
† Six months' period ended Nov. 30, 1928.

Market Record—

	1932 H	1932 L	1931 H	1931 L	1930 H	1930 L
Common	17	9⅞	20	13½	26¼	16¼

CANADA TEA CO.

Dealer in Teas, Coffees, Spices Maintains Good Liquid Position

Last consolidated statement for the year ending May 31, 1932, of the Canada Tea Company which owns property at 245, 247 Parliament Street, Toronto; 152 John Street, Hamilton, and 420 Water Street, Peterborough, showed a strong working capital position with no funded banking or mortgage debt. Dividends on preferred stock are 39 per cent in arrears. The arrears have been reduced materially in recent years.

The company deals in teas, coffees and spices both in a wholesale and retail way and operates branches at Peterborough, Hamilton, Brantford, Woodstock and London, Ont. The market for tea and coffee remained on an even basis during its fiscal year but last spring prices were reduced 10 cents per pound. The effect of that will be felt in the current year, but every possible economy is being practised. Coffee prices improved.

Capitalization—

	Authorized	Issued
Pref. 7% cum.	$ 500,000	$175,000
Common	1,000,000	383,000
Par $100.		

Thirty six preferred and eighteen common shares are held in trust for the company.

Dividend Record—
Preferred—7% per annum, cumulative, payable 1st Jan., April, July and Oct. No dividends paid 1922-1924; 1925, 2% paid; 1926, 5%; 1927, 8%; 1928, 5%; 1929, 9%; 1930, 1931 and 1932, 10%. As at May 31, 1932, dividends were 39% in arrears.
Common: None since 1913.

Officers and Directors—
Officers—C. J. Scandrett, pres. & man. dir.; C. T. Stark, vice-pres.; J. Hobson, sec. and treas., Toronto, Can.
Directors—C. J. Scandrett, C. T. Stark, J. Hobson, J. H. Scandrett, S. B. Playfair, Toronto.

What's New in Radio

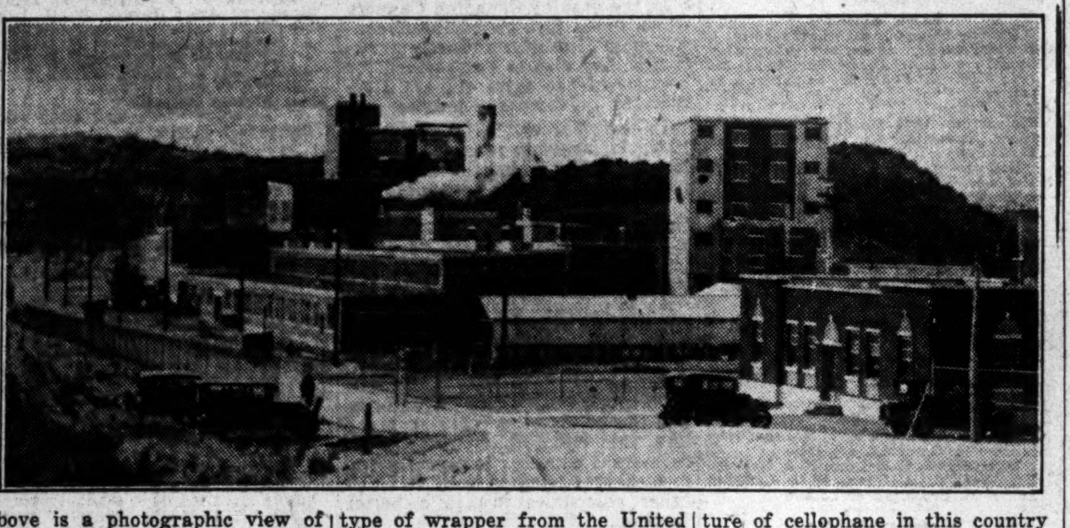
The answer is, of course, everything. Radio is attracting to itself the best brains engaged in every form of human endeavor — metaphysicians to burnt-cork wisecrackers.

The field is so vast that some periodical is needed that will record radio's happenings, assay their importance and accurately record the time of their occurrence.

All this Radio Weekly tries to do. You will find that a careful reading of its pages will give new zest to the hours you spend with your radio set.

Radio Weekly
5c On All News Stands 5c

Cellophane Joins Ranks of Canadian Industries



Above is a photographic view of the recently completed Canadian Industries Ltd. cellophane plant at Shawinigan Falls. Formerly Canada secured its supplies of this new type of wrapper from the United States, but the capacity of this new plant will be sufficient to take care of all domestic, as well as Newfoundland, demands. The manufacture of cellophane in this country is being carried on under special arrangement with Du Pont Cellophane Co.

Wholesale Grocers

WESTERN GROCERS

Entered 1932 With Slate Cleaned of Indebtedness to Bankers

Western Grocers, which is engaged in the wholesale grocery business in Western Canada through its eighteen branches and warehouses, entered 1932 with the slate cleaned of its indebtedness to the company bankers. This objective had been held in view since 1929 when the total secured bank loan amounted to $1,315,000. It was reduced to $811,000 at the end of 1930 and was entirely paid off during 1931. This was accompanied by reduction in inventories from $1,529.518 at the end of 1930 to $877,732 at the end of 1931. Accounts receivable were also reduced and altogether the executives of the company felt they entered 1932 well equipped to meet the problems of that year.

The company, in addition to its head office, warehouse and cold storage plant in Winnipeg, has branch warehouses at 18 points from Kenora and Port Arthur in Ontario to Cranbrook, B.C. It is the result of the merger of a number of companies formerly well known.

At the annual meeting on May 3 the president, W. P. Riley, stated that the "Red and White" stores continued to show a substantial growth. These 700 stores are independently owned by customers of the company, but co-operate with the management as a group under the "Red and White" plan of merchandising.

Purchase of the assets of the Nash-Symington wholesale fruit interests in Manitoba, Saskatchewan and Alberta by Western Grocers, Ltd., in a deal involving $1,250,000, was announced recently.

By virtue of the transaction Western Grocers acquires ten wholesale fruit houses in Saskatchewan, seven in Manitoba and seven firms in Alberta.

The new subsidiaries of Western Grocers will carry on under their present names, and there will be no staff changes for the present.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum. ($100 par).	$2,500,000	$1,194,300
Com. (n.p.v.)	30,000 sh.	16,943 sh.

Funded Debt—
None.

Dividends—
Preference: $7 per annum, cumulative, payable Jan., Apr., July and Oct. 15 Paid regularly since 1926.
Common: A dividend of $1 per share was paid March 15, 1927. None since.

Officers and Directors—
Officers—W. P. Riley, pres.; W. H. McWilliams, vice-pres.; Eben Govan, sec.-treas.; W. S. Graham, asst. sec.-treas.
Directors—W. P. Riley, W. H. McWilliams, H. W. Hutchinson, F. O. Fowler, Winnipeg.

Earn. per Share and Div. Record—

	1931	1930	1929
Pref.: Earned	$6.55	$7.54	$12.22
Paid	7.00	7.00	7.00
Common: Earned	nil	0.38	3.68
Paid	....	....	....

Seven Years' Earnings—

Year	Earnings* $	Dividends $	Surplus $
1925	186,578	....	155,283
1926	155,252	83,601	246,596
1927	162,140	100,544	264,010
1928	176,124	83,601	309,491
1929	193,170	83,601	371,799
1930	133,777	83,601	378,307
1931	121,671	83,601	372,909

*After deducting all operating expenses, interest paid on bank and mortgage loans, and making provision for bad and doubtful accounts.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Common	12	10	17	10	23	17
Preferred	54	43	50	40	68	45

*To Oct. 12.

Holsum Packing Co.

Holsum Packing Co., with head office and plant at Victoria, B.C., manufactures jams, jellies, pickles, sauces, canned soups and vegetables. The present company was formed in 1927 to take over Holsum Products, Ltd.

No canned fruits or vegetables were packed during 1931. The company concentrated on jams which showed an increase of 50 per cent. The pickle business was then below normal. The company has no funded debt.

Capitalization—

	Authorized	Issued
Pref. 7% cum.	$50,000	$18.680
Par $10.		
Common	50,000	23,269
Par $1.		

Dividend Record—
Preferred—7% cumulative, payable June and Dec. 15.

Officers and Directors—
J. E. Sladen, pres.; H. Beach, mgr.; A. H. Alexander, I. M. Nodek, L. Batchelor, Victoria; R. S. Twining, Gordon Head, B.C.; E. Livesay, Sidney, B.C.

Broder Canning Co.

Broder Canning Co., with head office at New Westminster, B.C., operates eight canning plants at New Westminster, Kamloops, Chilliwack, Kelowna, Edmonton and Medicine Hat. Canned vegetables are marketed under the trade name, "Royal City." The company was formed in 1917 to take over the original company founded in 1910.

Capitalization—

	Authorized	Outstanding
Pref. 7% cum. (Par $100).	$300,000	$150,000
Common (Par $100).	350,000	192,900

Funded Debt—
None.

Dividend Record—
Preferred: 7 per cent per annum, cumulative from Oct. 1, 1929; payable Jan., Apr., July and Oct. 1.

Officers and Directors—
R. R. Broder, pres. and gen. mgr.; V. F. Broder, sec.-treas.; H. C. Wade, asst. mgr.; C. W. Moore, sales mgr.; L. A. Lewis, Mrs. V. F. Broder, New Westminster; C. H. Reed, Vancouver.

NATIONAL GROCERS

Maintains Profit—Note Issue Retired—Bond Issue in Prospect

National Grocers Co. showed a small increase in net profits during the year ended June 30, 1932, and increased surplus account to $809,328 from $634,176. On August 15, the company retired an issue of $1,086,500 of 6½ per cent notes which were payable in United States funds, from the proceeds of loans secured in Canada. The company now has practically no liabilities in the United States and it is understood that the loans now outstanding in Canada will be funded by an issue of long term bonds when market conditions are suitable. Funding of these loans would leave the company with a good liquid position and earnings of the company during the last six years would indicate that bond interest can be earned by a wide margin.

One of the chief wholesale distributors of groceries in Ontario, the company was formed in 1925 when some 23 wholesale grocery companies throughout the province were acquired. To some extent the company is engaged in manufacturing and is also interested in the retail field. Physical volume of sales is understood to have shown satisfactory increase over the past year although decline in prices of commodities has caused some reduction in dollar volume. While the company earned preferred dividend requirements by some margin, in 1931-1932, as in previous years, it would seem probable that no dividends will be paid until current loans are refunded.

Capitalization—

	Authorized	Outstanding
Com. (n.p.v.)	300,000 shs.	295,852 shs.
2nd pfd. 7% cum. ($100 par).	3,500,000	2,953,200

Funded Debt—
The 6½% gold notes were redeemed Aug. 15, 1932.

Dividend Record—
Second Preference: Entitled to 7 per cent per share per annum, cumulative, payable quarterly, Jan., April, July and Oct. 1. Initial dividend of 1¾ per cent paid Jan. 1929, followed by similar payments July, 1929; Jan., 1930 and July, 1930. No dividends paid from that date until $1.75 per share paid Oct. 1, 1931. None since. As at June 30, 1931, the dividends were in arrears approximately 40 per cent.

Officers and Directors—
Officers—A. M. Woolnough, chm.; Archie Foster, pres. and gen. mgr.; John Medland, vice-pres.; T. H. Kinnear, sec.-treas.
Directors—A. M. Woolnough, Archie Foster, John Medland, T. H. Kinnear, David Blain, Toronto; M. D. Lemon; W. G. McLauchlan, Owen Sound; A. J. Major, Ottawa; J. H. Simpson, Guelph; Hon. George Gordon, North Bay; W. H. Kenny, Sarnia.

Times Bond Interest Earned—

Yr. End. June 30:	1932	1931	1930
Before deprec.	6.44	5.95	5.91
After deprec.	5.17	4.67	4.77

Earn. per Share and Div. Record—

2nd pref.: Earned	$9.08	7.94	9.10
Paid	1.75	Nil	3.50
Common: Earned*	0.21	0.09	0.21
None paid.			

*After deducting full year's second preference dividends.

Six Years Earnings—

Year	Earnings $	Dividends $	Surplus $
1927	504,384	79,148	100,591
1928	585,518	74,254	265,116
1929	695,016	163,396	452,716
1930	620,587	152,334	562,798
1931	567,064	26,734	634,176
1932	569,291	51,681	809,328

Sugar Refining

ACADIA SUGAR

Betterment in Position Seen in Resumption of Dividends

Acadia Sugar Refining Co. has steadily improved its position, with the result that dividends have again been distributed on the preferred stock which at January 1 last was 23 per cent in arrears.

Application of the Dumping Act, together with an improvement in the raw sugar market, has enabled this company, as well as other operators in the refining industry, to steadily bring about an improvement in their operating position and earning power.

The management, not forgetting the serious set-back which the company received following the collapse of the sugar market in 1920, has been careful to build up a strong financial position before making any distribution on the capital stock.

Capitalization—

	Authorized	Outstanding
Pref. cum.	$1,500,000	$1,500,000
Par $5 and £1.		
Common	1,500,000	1,500,000
Par $5 and £1.		

Funded Debt—
6% 1st mtge. S. F. bonds, due 1946, outstanding $2,200,000; 7%, gen. mtge. S. F. bonds, due 1946, outstanding $664,333.

Dividend Record—
Dividends: Preferred, 6% cumulative, payable June and Dec. 15; paid regularly from Dec. 15, 1930, and 1% paid on arrears Dec. 1931 and June 1932; dividends on old stock were paid regularly from 1904 to 1916, none thereafter; in 1926, shareholders accepted re-organization of capital and distribution of new stock in lieu of arrears of dividends; none paid on new stock until Dec., 1930. Common: dividends paid on old stock from 1904 to 1915; none since.

Officers and Directors—
Officers—J. McG. Stewart, pres.; D. R. Turnbull, man. dir. and sec.
Directors—J. C. MacKeen, E. J. Longard, J. McG. Stewart, D. R. Turnbull, O. E. Smith, W. A. Black, Halifax; J. Mitchell, J. B. Ramsay, R. Thom, Glasgow, Scotland; Hon. T. W. McGarry, Toronto.

Times All Interest Earned—

Yr. ended:	Jan. 2 1932	Jan. 3 1931	Dec. 28 1929
Before deprec.	3.71	2.64	2.03
After deprec.	2.08	1.49	1.00

Earn. per Share and Div. Record—

Pref.: Earned†	$0.61	$0.29	...
Paid	0.30+0.05°	0.15	....
Common: Earned*	0.26	....	....
None paid.			

†Earnings calculated before making provision for arrears in preferred dividends.
*Before provision for arrears (other than those actually paid) but after full preferred dividends for the period.
°Paid on account of arrears.

Canned Salmon Imports Graded and Inspected

By order in council clauses have been added to the regulations governing the inspection and grading of salmon by which imported canned salmon have to pass exactly the same tests and submit to the same two grades as do salmon caught and packed off the Pacific Coast of British Columbia. It is further provided that all shipments of canned salmon must enter through a British Columbia port only.

Imported canned salmon, which is found not up to the first quality of British Columbia salmon but which is still sound, wholesome and fit for human food, must have the words "Second Quality," clearly imbossed upon each can. First quality salmon is naturally approved but anything below first and second qualities will not be cleared for importation but may be returned to the shipper.

This is not because imports of salmon have been important as yet but simply to place all goods produced in or imported into Canada on the same basis. All canned fish imports in the 12 months ending August 31 last did not reach $1,000,000 while exports of canned salmon alone exceeded $5,000,000. The United Kingdom took the lion's share of canned salmon exports, and in the preceding year took more than $7,500,000 in value.

ATLANTIC SUGAR

Control of Property Passes to New Hands—Dividends in Prospect

Control of Atlantic Sugar Refineries Ltd. passed, during the year, into new hands. An offer was made to the shareholders by the General Sugar Refineries Ltd. which provided that the holders of the preferred stock would receive one share of A preference stock and $82 principal value ten-year debenture stock for each preferred share held, while holders of the common stock were offered $30 cash for each common share held. This offer was accepted by the shareholders on June 10 last.

Capitalization of the new company, which incidentally changed its name back to Atlantic Sugar Refineries, consists of $911,102 of 5 per cent debenture stock, 11,111 A preference shares, 40,000 B preference shares, 160,000 no par value common shares outstanding. The $70,000 first mortgage bonds of Atlantic Sugar Refineries Ltd. (old company) will be discharged. The 5 per cent general mortgage bonds will be assumed as the senior issue of the new company.

It is understood that as a result of this deal arrangements will be entered into with the general mortgage bondholders whereby the sinking fund on that issue can be accelerated and instituted on the capital stock of the new company.

The financial statement of the old company reflects a strong position, with earnings more than sufficient to take care of dividends on the capital stock. Owing to the restrictions in the trust deed surrounding the general mortgage bonds, it has been impossible in the past for the company to make any payment on its capital stock.

(Old Company)—

Capitalization—

	Authorized	Outstanding
Pref. cum. conv.	$1,611,100	$1,111,100
Par $100.		
Common, n.p.v.	78,889 shs.	78,889 shs.

Funded Debt—
5% gen. mtge. bonds, due 1941, outstanding $3,551,247.

(New Company)—

Capitalization—

	To be Outstanding
Preference "A," Par $100	11,111 shs.
Preference "B," n.p.v.	40,000 shs.
Common, n.p.v.	160,000 shs.
5% deb. stock	$911,102

Officers and Directors—(New Company)—
P. R. Gardiner, Toronto, pres.; S. A. Hayden, Toronto, sec.-treas., and T. J. Dillon, New York; D. H. McDougall and L. N. Dupuis, Montreal, directors.

(Old Company)—

Times Bond Interest Earned—

	1931	1930	1929
Before deprec.	5.89	5.78	3.58
After deprec.	3.81	3.74	1.65

Earnings per Share and Dividend Record—

Pref.: Earned	$35.21	$44.83	$10.57
None paid since 1920.			
Common: Earned*	3.97	5.33	0.50
None paid since 1920.			

*Arrears on preferred stock not taken into account, a full year's preferred dividends having been deducted, however, before calculation made.

Market Record—

	*1932 H	*1932 L	1931 H	1931 L	1930 H	1930 L
Common	30	16	37½	12¾	17½	4½
Preferred	120	92	105	79¾	81	30

*To Oct. 13.

Retail Trade in Lethbridge

There were 196 retail stores in Lethbridge in 1930 with receipt of $8,121,500, 806 persons employed, payroll $977,100. The food group had 47 establishments with $1,364,900 sales, 128 employees, payroll $133,700. Seven places of amusements had a revenue of $125,700. Of the retail stores 152 were single independents.

Making Ink in Canada

There are 370 persons employed in the making of ink in Canada. Their output was valued at $2,309,062 in 1931, a little less than last year. Printing ink accounted for $1,787,304.

LAWRENCE FLOUR PLACES COMMON DIVIDEND BASIS

Earnings Last Year Higher Common Earned $2.39 a Share

From Our Own Correspondent

MONTREAL.—Following an increase of 20 per cent in earnings for the fiscal year ended August 31, 1932, directors of St. Lawrence Flour Mills have placed the common stock, of which there is $1,200,000 outstanding, on an annual dividend basis of $1.50 a share. A payment of 37½ cents a share will be made on November 1; the first distribution on the common since February, 1925.

Earnings last year were $107,838 compared with $90,266 in the previous period. After all charges profits were equal to $2.39 a share on the common against $2.12 in the preceding year and $3.11 in 1930. Preferred dividends have been maintained without interruption since 1914.

Profit and Loss Figures

Following is a comparison of profit and loss for the past three years ended August 31:

	1931-32 $	1930-31 $	1929-30 $
Profits	107,838	90,266	105,017
Bond int.	4,688	4,823	4,860
Net income	103,150	85,443	100,157
Pfd. div.	40,250	40,250	40,250
Balance	62,900	45,193	59,907
Taxes	9,296	6,656	9,633
Balance	53,604	38,537	50,274
Deprec.	24,863	13,000	13,000
Surplus	28,741	25,537	37,274
Prev. surp.	369,846	344,309	307,035
P. & L. Bal	398,587	369,846	344,309

Working capital position compares as follows:

	1931-32 $	1930-31 $	1929-30 $
Curr. assets	787,119	760,338	649,856
Curr. liabs.	240,891	255,125	213,024
Work. capital	546,228	505,213	436,332

Liquid Position Better

Improvement in working capital is due to increased receivables and inventories and lower bank loans. In assets, accounts receivable are higher by $26,000 at $218,236 and inventories at $231,233 show a gain of $32,000. Investments are lower by $33,000 at $208,000 and sundry debits are up $10,000 at $107,723. Real estate and machinery is valued at $971,471, an increase of $4,000, and property and goodwill at $930,224 is unchanged.

In liabilities bank loans have been reduced by $10,000 to $222,616, payables are virtually unchanged at $15,754 and sundry credits are lower by $5,000 at $505. During the year there were purchased by the company $5,500 of first mortgage bonds, leaving $74,500 outstanding.

In his remarks to shareholders at the annual general meeting, D. A. Campbell, president of the company, stated that business in the first month of the current fiscal year was satisfactory.

Bicycle Output Declines During Past 12 Months

There were 18,429 bicycles manufactured in Canada in 1931. These were valued at the factories at $485,636. Men's bicycles numbered 17,319 valued at $458,631, and women's and children's totalled 1,110 valued at $27,005.

Bicycles manufactured in 1930 totalled 26,826 and had a value of $706,386.

Dom. Square Pays Interest Due October 1

From Our Own Correspondent

MONTREAL.—Dominion Square Corp. has arranged through its junior security holders for the immediate payment of the semi-annual first mortgage bond interest which was due and payable October 1, 1932. The company was allowed 30 days to meet its obligation under the terms of the trust deed.

Payment of interest is not surprising in view of the substantial cash equity in the property. There are outstanding $5,000,000 of six per cent first mortgage bonds but it has been estimated that there is an equity of more than $3,000,000 in the enterprise over and above the first mortgage bonds outstanding.

It is stated that Dominion Square Corp. Building is presently earning its operating costs, taxes and approximately three-quarters of its first mortgage bond interest.

RETAIL PRICE DROP DUE TO FOODSTUFFS

Meat and Potatoes Show Declines at September 1

Despite the upward seasonal trend in the price of a number of food items and fuel, the index number for retail prices, rents and cost of services dropped slightly at September 1, from the beginning of the previous month. On the basis of 1926, equals 100, the index for September was 81.3 compared with 81.5 at August 1, according to the calculations made by the Dominion Bureau of Statistics.

Many food prices were lower, meats of all kinds with the exception of fresh pork, and potatoes heading the list. These losses were partially absorbed by increased prices for breakfast bacon, fresh pork, eggs and butter.

Compared with a year ago, food prices are generally between 10 and 30 per cent down. For example, roast veal has dropped 20.6 per cent, eggs 15.5 per cent, cheese 13.5 per cent, bread 11.1 per cent and tea 16.8 per cent. Butter and sugar have made smaller declines, the percentages being 8.2 and 4.8 respectively.

Only Maritimes Maintain 1931 Butter Production

Creamery butter production in Canada during August amounted to 24,705,968 pounds, a decrease of over 3,000,000 pounds, or 11.2 per cent from the same month of 1931. Only Nova Scotia and New Brunswick recorded increases, the former being up 4.4 per cent to 651,000 pounds and the latter 28.3 per cent to 427,443 pounds.

Saskatchewan showed the largest decrease, falling from 2,482,565 pounds in August, 1931, to 1,885,708 pounds this year, a drop of 24.0 per cent. The other two Prairie Provinces also dropped approximately 20 per cent. Ontario was down 4.9 per cent and Quebec 11.6 per cent.

For the year to date the total production amounts to 147,353,003 pounds compared with 155,998,966 pounds in the same period of 1931, a decline of 5.5 per cent. Again only New Brunswick and Nova Scotia show larger totals than a year ago, decreases in other provinces ranging from 9.4 per cent in British Columbia to 3.3 per cent in Saskatchewan.

Ship Boxes to Jamaica

Said to be the first time that cases for citrus fruit have been shipped in large quantities from Canada, the Wilson Box Company at Saint John has just forwarded a consignment of some thousands to Jamaica.

HOLT, RENFREW ENTERS SEASON OF BEST TRADE

Outlook Improved For Silver Fox Fur Industry

From Our Own Correspondent

MONTREAL. — Holt, Renfrew and Co. is entering its busiest season of the year but those close to the company state that until fall and winter buying really gets under way it is not feasible to hazard any estimates as to the outlook. It is understood there has been a seasonal upward turn in sales but it is yet too early to judge the future.

The company's main revenue is derived from fur sales. It has been in this business for nearly one hundred years though operations have become more widely diversified during the present century. Its four stores now carry complete lines of dress wear.

Silver Fox Outlook Better

Observers of the silver fox industry see a highly improved outlook for the 1932-1933 season. Holt, Renfrew operates its own silver fox ranch and the position of that industry naturally has a bearing on the company. There is a smaller quantity of pelts available today than at this time last year and prices have been rising steadily since the abnormally low levels of 1931.

Holt, Renfrew has felt the effects of restricted luxury purchasing power. Operations in the fiscal year ended Jan. 31, 1932, resulted in a loss of $89,083 compared with a profit of $134,864 in the previous period. After all charges, including preferred dividend, there was a loss of $141,816 leaving $670,436 at profit and loss surplus.

Preferred dividends are still maintained. Common disbursements were discontinued in 1930 after payments of 3 per cent since 1928. Balance sheet at the end of last year was featured by a strong liquid position.

Buywell Food Markets Paying Dividend on Pref.

From Our Own Correspondent

MONTREAL — Buywell Food Markets Ltd. has inaugurated dividends on its first preferred stock at the rate of 7 per cent per annum, with initial quarterly dividend made on Oct. 15 to shareholders of record Sept. 30.

J. H. Magid, general manager of Buywell Food Markets, states that earnings in the dull summer months of this year were sufficient to cover the dividend requirements on the first preferred shares by a margin of 3.4 times. Another favorable development was the realization of a substantial profit on the sale of properties that were acquired from Stanford's Ltd. early this year. When this capital profit is added to earnings, Buywell Food Markets covered its first preferred dividends 17.7 times over, or in other words, earnings from operations and capital account have covered the full year's dividend requirements 4.4 times.

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Insurance for Buyer and Seller

MISSING CLIENTS CAUSE COMPANIES ANNUAL CAMPAIGN

Canada-Wide Search Undertaken for Industrial Policyholders

A few weeks ago officials of the Metropolitan Life Insurance Co. sent out their annual appeal to locate lost or missing holders of industrial policies.

The list this year contains 3,000 names and has been sent to company representatives and newspaper editors in all parts of the country in a dominion-wide effort to locate these people.

One in 800 Lost

As there are 2,400,000 industrial policies on the books of the company this means that roughly one out of every 800 is lost despite the best efforts of the company to follow the whereabouts of its policyholders at the time they cease paying their last premium.

A similar percentage of loss is experienced by the London Life on a smaller scale. London Life has something like 425,000 industrial policies on its books and its annual list this year contains about 500 names and policies indicating a ratio of loss of about one in 850. The amount due to each varies for the most part between $10 and $60.

The list is made up of industrial policyholders who ceased paying premiums many years ago but whose policies were continued in force for the full amount or a reduced sum under automatic paid-up clauses of the policy. At the time the policyholders cease to pay premiums, an official of the Metropolitan Life explained to The Financial Post, every effort is made to locate them but if not successful, the policies run along until they mature as endowments. Each year in its Canadian territory this company has nearly 3,000 cases of this type, a complete list of which is printed and given to the company's field men. In view of depressed business conditions the company this year put forward an especial effort to locate these policyholders and sought the co-operation of newspaper editors in the matter.

Successful This Year

This year the company reports exceptional success in its effort to locate these people. In Edmonton, for instance a list of 20 names was published and the next morning eight of these people came into the company's district office there for the money, which needless to say was greatly appreciated.

With a smaller body of policyholders the experience of the London Life another leading industrial company in the Canadian field, is not so widespread. According to an official of this company it is rarely that policyholders become lost while paying premiums. Most cases occur when a policyholder ceases to pay premiums and then moves away. Periodically, however, the company publishes a list similar to that prepared by the Metropolitan and through the efforts of the company's fieldmen who use it for canvassing purposes, practically every policyholder is located.

"We have really established a fine record in this regard," The Financial Post was told, "so the problem has not become one of any magnitude."

SATISFACTION TO POLICYHOLDERS
the main consideration of
The CANADA LIFE Assurance Company
Established 1847

FIRE·MARINE·AUTOMOBILE·ACCIDENT·SICKNESS·BURGLARY·GUARANTEE
IMPERIAL GUARANTEE AND ACCIDENT INSURANCE COMPANY
ESTABLISHED A·D·1905

Good Times Coming
The future can hold no fears for the foresighted person who builds on the Security and Protection afforded by a Policy with
The MONARCH LIFE ASSURANCE COMPANY
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Let our representative explain the many exclusive advantages of Monarch Life Policies.

Ontario Insurance Agents Favor Premium Financing Through Outside Company

Executive Will Probably Sanction Proposal of Detroit Concern

ANNUAL MEETING

Fire and Casualty Men Hear Addresses From Insurance Leaders in 2-day Convention

Installment financing of insurance premiums was a chief topic of discussion when 400 insurance men gathered last week for the 12th annual convention of the Ontario Fire and Casualty Insurance Agents' Association at Toronto.

A special committee of the association appointed to study this matter under the chairmanship of John T. Truman, newly-elected president of the association for 1933, had prepared a report for submission to the convention and favorable to the creation of some type of finance company which would operate this newest wrinkle in the fire and casualty business, on behalf of the agents. Two weeks prior to the meeting, however, C. S. Fitzpatrick, president of the Underwriters Acceptance Corp. of Detroit approached the executive urging that his company be officially sponsored by the association. In return for such sponsorship the company offered to confine its activities to member agents and joint stock companies only, in Ontario.

Would Form Canadian Company

At the opening luncheon of the association, Mr. Fitzpatrick addressed the members outlining his proposal to form a Canadian company to be known as the Underwriters Acceptance Co. of Canada which would handle only stock company business and afford insurance "credit" facilities to all members of the association at a cost of 5 per cent of the amount of the note. He asked the endorsement of the association and sought the exclusive right to handle the premium finance business of the association members.

No definite action was taken, the final decision being left in the hands of the executive committee with power to act. According to H. E. Rose, retiring president of the association, the committee felt this to be the best plan studied to date, in that it was a straight banking proposition, not involving either the company or the agent as far as liability was concerned.

Object to Lawyers

Report of the executive submitted by H. E. Rose, commented on matters which had been engaging the attention of the members during the year. Prohibition in regard licensing lawyers as insurance agents was thought to be a matter of legislation rather than regulation and the Law Benchers of Upper Canada are to be approached by the executive in this regard; the matter of whether the agent or the company owned renewal business on premiums obtained through an agency was discussed, as was also the perennial question of unfair competition from foreign mutuals and reciprocals, and the matter of a qualification law for agents in Ontario.

Other matters included the announcement as to action taken during the year by the executive in curbing sale of insurance to provincial government employees by fellow-workers. This practice was immediately curbed by the Attorney-general following the protest of the association, it was reported. Uncomplimentary words were also said concerning the famous Singer Bill introduced at the last session of the provincial legislature and which provided penalties for companies discriminating against applicants for racial or religious reasons. This legislation was characterized as iniquitous by the president in his report.

Advisory Board Report

A report on the operations of the Advisory Board was submitted by Charles Johnson, agency officer of the Ontario Insurance Department. Some 42 meetings were hed in the past year at which 391 applications for licenses or renewal of licenses on the part of insurance agents, were heard. Of these, 83 were granted outright and four conditionally; 67 were withdrawn by the company making the recommendation and 24 were withdrawn by the applicant; 213 applications were declined by the superintendent following the recommendation of the board. An additional 85 agencies were terminated during the year by the various companies, thereby resulting in the automatic suspension of the license. In all 475 persons were declined the right to enter or continue in the insurance business during the year. The board is under the chairmanship of George M. Orr, Toronto.

In commenting on prosecutions under the Insurance Act against agents which have taken place during the year, Mr. Johnson noted that 15 prosecutions were obtained, mostly against persons who had continued to act as agents without authority or after suspension of their license. One case of rebating had occurred, judgment for which was still pending. The accused had put in the plea that the section of the Criminal Code under which the prosecution was laid, was ultra vires.

Heads Agents

JOHN T. TRUMAN

Of Hamilton, elected president of the Ontario Fire and Casualty Agents Association for 1932-33 at the annual meeting held in Toronto last week.

Three Finance Plans

As to installment financing of insurance premiums, three plans were discussed by the convention. First came the proposal for an agency corporation similar to the one operated in New York State by Albert Dodge, of Buffalo, chairman of the executive committee of the National Agents Association in the United States. During the year an exhaustive study of this plan had been made by the committee headed by J. T. Truman and until a week or so prior to the convention, the committee had decided to recommend this plan as the most suitable available.

Then two weeks ago the committee was approached by officials of the Underwriters' Acceptance Corp. of Detroit and as a result of their brief the committee greatly modified its report which was to have gone on record as favoring a premium financing organization owned and operated by the agents' association. Underwriters' Acceptance Corp. was created about a year ago and has been in business for four months. It plans to start a Canadian company which if given the sanction of the agency association will handle only joint stock company insurance for members of the association.

Representations were also made on behalf of the Insurance Premium Finance Co. of Toronto but it was understood that the rates offered by this company were almost double those of the U. S. company. The company's rates have since been drastically reduced, it is understood.

The executive has been left with power to act in the matter and general opinion among members is that it will report in favor of the Underwriters' Acceptance Co.

Plan Outlined

Under this plan, down payment required on annual policies is 20 per cent of the premium which is retained by the writing agent. The remaining 80 per cent of the note is covered by a single note form signed by the assured with schedule of policies on the reverse side. First payment of 10 per cent of the amount of the premium is due 25 days after the policy becomes effective and the remainder in seven monthly installments of 10 per cent. The service charge is 5 per cent of the amount of the note, payable in advance. The minimum service charge is $4.

Typical example of the companys' charges, follows:

Total premium	$100.
Down payment 20%	20.
Amount of note	$80.
Payable in 8 monthly installments	$10.
Service charge, 5% of note	$4.

Many leading insurance officials addressed the association during its two-day meet. James J. McGrath, chief of the rating bureau of New York state insurance department described the operations of the rating bureau system in his state and pointed out that the insurance business is one field where price fixing combinations cannot be condemned, but where both companies and the public require such combinations under the regulation of a state-established agency. He characterized the workings of his department as "healthy for the business and beneficial to the public."

Another visitor from New York was A. L. Cullen of the New York Insurance Department who spoke on the operation of the New York agents' qualification law which came into being last July and which requires applicants for a license to submit to a personal written application. Demand for this legislation came from the agents themselves, he said. Examinations are given monthly in ten different cities in the state and twice monthly in New York. They are divided into two parts, one part dealing with questions of substantive insurance law and practices and the other which seeks to ascertain the applicant's conception of the duties of the office to which he aspires. Since July 1, 119 applicants have taken the test, said Mr. Cullen of which 65 per cent or 77 were successful.

This matter of compulsory qualifications for agents was further discussed by A. Leslie Ham, manager of the Canadian Surety Co. He told members that such a law could only be justified on the grounds of public policy, but argued that it was unfair that agents who had given years of study to their work should have to face competition from those temporarily unemployed or who through family connections were able to control a certain amount of business. No direct action on this matter was taken by the convention but the question was placed in the hands of a special sub-committee of the Insurance Conference committee which will attempt to bring together company and agency viewpoints, before the association takes action.

At a final luncheon the conference was addressed by J. P. Bickell, Registrar of Motor Vehicles for Ontario who outlined the results of two years of operation of the Ontario Financial Responsibility Law; by B. Arthur Dugal, Superintendent of Insurance at Quebec who talked on the credit or free insurance evil and by G. D. Finlayson, Federal Superintendent of Insurance who outlined various features of the new federal insurance law.

The nominating committee of the association met behind closed doors and elected John T. Truman, of Hamilton, president for 1932-33. Charles Priestman, of Toronto, was re-elected secretary-treasurer.

Ordinary Life Insurance*

	1927	1928	1929	1930	1931	1932
January	$36,986,000	$47,569,000	$49,739,000	$45,074,000	$41,188,000	$37,831,000
February	35,525,000	39,962,000	47,140,000	43,925,000	40,180,000	38,145,000
March	42,883,000	44,823,000	48,066,000	49,047,000	46,945,000	37,467,000
April	41,631,000	46,718,000	51,842,000	51,649,000	45,648,000	33,629,000
May	44,553,000	49,581,000	50,547,000	48,871,000	41,314,000	30,998,000
June	45,298,000	51,884,000	53,402,000	54,168,000	46,227,000	40,963,000
July	39,962,000	49,492,000	54,809,000	46,505,000	39,977,000	34,469,000
August	38,360,000	43,503,000	41,329,000	36,249,000	35,738,000	28,370,000
Sept.	35,000,000	38,872,000	43,013,000	38,994,000	30,066,000	25,207,000
October	48,104,000	55,743,000	50,894,000	44,527,000	36,006,000	....
Nov.	44,935,000	54,865,000	55,624,000	46,186,000	38,860,000	....
Dec.	48,899,000	56,647,000	54,189,000	49,026,000	47,163,000	....

Total, first 9 months, 1932	$306,579,000
Total, first 9 months, 1931	$367,283,000
Decrease, first 9 months, 16.5%	$ 60,704,000
Decrease, September, 1932 from September, 1931, 16%	$ 4,859,000

*Companies having in force 84 per cent of total outstanding business in Canada as at Jan. 1, 1931. New paid for, ordinary business only. Figures include both Canada and Newfoundland and are prepared by Life Insurance Sales Research Bureau, Hartford, Connecticut

Panics Impose Test On Life Companies

Problems of Policy Loans and Cash Surrender Values Come to Light For First Time in Major Depression of 1930's, Says Actuary

Foremost on the agenda of the fall meeting of the Actuarial Society of America held at Ottawa last week was the paper by M. A. Linton, president of the Provident Mutual Life Insurance Co. of Pennsylvania. Under the title "Panics and Cash Values," Mr. Linton traced the record of life insurance down through the major depressions of recent years and pointed to the elements of danger which lay in the heavy drain on company reserves through increasing demand for policy loans and cash surrender values, particularly when companies failed to provide adequate surrender charges.

As Mr. Linton discusses authoritatively some of the "most difficult questions facing life insurance companies today," The Financial Post reprints the major portion of his address for the benefit of its insurance readers.

First Prolonged Test

"The depression of the 1930's," he said, "is supplying the first prolonged test of the guaranteed cash and loan provisions of life insurance policies. What happened in the panics of 1907 and 1921 were but passing showers to what has happened in the past three years," he pointed out. "Since October, 1929, the rains have descended, and the floods have come and apparently the house has been founded upon the rock. The amount of damage has been amazingly small."

"A large proportion of the life insurance now in force has been sold with the understanding that the reserve or investment element would provide a sure source of ready cash available in times of emergency when everything else failed. During the last three years this aspect of life insurance has undergone an impressive test. Multitudes of policyholders have had to fall back upon their insurance reserve and have found that it alone of all their possessions was instantly available, one hundred cents on the dollar. In consequence the value of life insurance as an anchor to windward will be stressed with greatly increased vigor when the depression has passed. It is being so stressed now, but the results will be much greater after the nation's purchasing power has been restored.

"This emphasizes the problem of meeting the demand for cash and loan values in a future major depression when perhaps the average age of the life insurance in force will be substantially greater than it fortunately is in the 1930's. The present depression followed a rapid development of life insurance sales so that reserves were relatively small compared with the cash income of the companies. The story might have been different if the sale of life insurance had been

(Continued on page 19)

Current Events in Banking World

AWARDS GIVEN FOR D. R. WILKIE AND C.B.A. ESSAYS

J. C. Ingram Wins Wilkie Prize—B. of N. S. Men Win Junior Class

J. Clarence Ingram, of the Winnipeg branch, Canadian Bank of Commerce, and G. N. Roberts, of Bank of Nova Scotia, Edmonton, have been declared first prize winners in the D. R. Wilkie and Canadian Bankers' Association essay competitions for 1932. Mr. Ingram is the winner of the D. R. Wilkie or senior competition and Mr. Roberts heads the list for the junior or C. B. A. award. Each award carries with it a prize of $100.

Second and third awards in the D. R. Wilkie essay were won by H. G. Macdonald, of the St. John's, Newfoundland, branch of the Royal Bank and by C. F. Basham of head office, Bank of Montreal, respectively. In the C. B. A. competition, John B. Brownlee, of Woodbridge, Ont., branch, Bank of Nova Scotia, came second and J. S. Burchell, another Bank of Nova Scotia man at Avenue Rd. and St. Clair branch, Toronto, came third. The C. B. A. essay was thus a clean sweep for the Bank of Nova Scotia, all three awards being won by B. of N. S. men. Second prize in each group nets the winner $50 and third prize, $25.

Empire Trade Studied

Subject chosen for the Wilkie competition this year was the following: "Inter-Empire trade; state the possibilities as you see them for inter-Empire trade and the resulting advantages to Canada and to the other individual members of the British Commonwealth of Nations." The essay was to be between 1,500 and 3,500 words. Mr. Ingram's prize essay was entitled "United We Stand."

The C. B. A. essay for 1932 was on the subject: "Service to the Public: what features of a bank attract and hold customers, and how can they be developed by the local staff."

Details of Competition

The D. R. Wilkie Scholarship is open to anyone employed in a Canadian bank. It was inaugurated some five or six years ago in memory of the president and general manager of the Imperial Bank of that name who died in 1914 and whose interests had continually been devoted towards increasing educational opportunities for young Canadian bankers. The second and third prizes have subsequently been added by the Canadian Bankers Association.

The C. B. A. scholarship is open to any person employed in a Canadian bank who is enrolled in either the Associates' or Fellows' Courses and who is pursuing studies in either course.

Seasonal Drop Seen In Sales of Insurance

Sales of ordinary life insurance in Canada and Newfoundland as computed by Sales Research Bureau of Hartford, showed customary seasonal lag in September when $25,207,000 of new business was paid for by the 15 reporting companies. These companies as at Jan. 1, 1931, had approximately 84 per cent of the total Canadian business in force.

The September figure is 16 per cent below the corresponding figure of a year ago and is the smallest monthly figure reported by the bureau since September, 1922.

Over $30,0000,000 This Year

Total ordinary business written during the first nine months of the year has topped the $300,000,000 mark and is within 16.5 per cent of the corresponding total in the same period a year ago.

Sales by provinces and for Newfoundland in September were: Alberta, $1,134,000; British Columbia, $1,668,000; Manitoba, $1,423,000; New Brunswick, $595,000; Nova Scotia, $850,000; Ontario, $10,433,000; Prince Edward Island, $87,000; Quebec, $7,757,000; Saskatchewan, $1,076,000; Newfoundland, $184,000.

Banker Suggests Drastic Revision To N.S.F. Laws

Revision of the Criminal Code, even more drastic than that proposed by retailers and published in a recent issue of The Financial Post, is suggested in a letter received from a Canadian banker.

It is the opinion of this banker that the fixing of a five-day limit in which the drawer must make good a cheque which has been returned N. S. F. or be liable for prosecution under the Criminal Code, as suggested by retailers, would merely fix a time limit for these unauthorized loans made by the unscrupulous. He suggests that in any revision which would curb the evil it will be necessary to allow no days of grace.

Addition of a clause making it illegal to again present a cheque for payment once it has been returned because of lack of funds, compelling the drawer to remit by money order or certified cheque, is also suggested in the letter, the complete text of which is as follows:

> In reading the views expressed in your paper regarding the N.S.F. evil, one draws the conclusion that in the majority of cases failure on the part of drawers to provide funds has been purely unintentional, and that the oversight will be remedied immediately the offender's attention has been drawn to the matter. Every experienced bank manager knows that such is not the case, except perhaps in rare instances. In ninety cases out of a hundred the party drawing such a cheque knows positively that he has not sufficient balance to his credit, and in a large percentage of cases he has no intention of exerting himself to provide funds until notified by his bank (if they are thus obliging) that the cheque is in their hands for payment.
>
> Many merchants and business men merely adopt this method of sparring for time and obtaining a free loan for a week or ten days. Placing a limit of five days in which to provide funds for a dishonored cheque will not curb the evil but will merely fix a time limit to such unauthorized loans. It appears absurd that a bank should feel called upon to notify a customer that his cheque had been presented for payment, when such an event was inevitable from the moment that the cheque was signed and despatched. Considering the regularity of the mails and the prompt business methods of today, it is not very difficult for the average drawer of a cheque to determine the date on which it is practically certain to reach his bank for payment, and the large number of cases in which funds are not accordingly provided leads one to the opinion already expressed.
>
> So long as offenders are given five days, in fact any grace at all, in which to protect their bad cheques the evil will continue. If some drastic change in the present law were made whereby dishonored cheques once returned could not again be presented, but the drawer compelled to remit direct to the holder by money order or certified cheque, then the evil would be greatly curbed and eventually reduced to a minimum. Such a course would, naturally, work a hardship upon a small percentage of careless individuals who issue cheques believing them to be provided for but who have made clerical errors in their own records.
>
> Yours truly,
> BANKER.

Foreign Exchange

HIGH mark for the year was set by the Canadian dollar in trading on October 17 when considerable amounts changed hands in New York at 93½, and although there was some weakness toward the close and the final quotation was 92 3-16, this was only 5-16 below the previous high close for the year recorded on October 15.

Two factors are being given credit for the strength of the past week, the tariff changes tabled at Ottawa on Thursday, October 13, and the continued large exports of wheat and increasing credit balance of trade as shown in the import and export returns for September also made public last week.

* * *

WITH regard to the tariff changes it is stated that over a period of time Canadian industries will gain and naturally those of the United States will be the losers. A wider export market in Great Britain is assured to Canada, where she will not only be in competition with the United States but will obtain considerable imports which formerly came from the latter country.

The wheat situation seems to be clouding with a combination of price weakness and the pronouncement by the United States that steps are being taken to enter the world wheat markets. If the United States persists in this attitude and throws her large stocks on a market, already dull, the resultant effect on the price of wheat can be easily visualized. This announcement by the United States is credited in some quarters for the retreat of the Canadian dollar staged on October 18.

New York Funds

	High	Low	Last Year High	Last Year Low
	(Premium)		(Premium)	
	%	%	%	%
Oct. 11	10 1-8	10	10 1-2	9 3-4
Oct. 12	10 1-16	9 15-16	.....	.....
Oct. 13	10	9 7-8	13	10 1-4
Oct. 14	9 7-8	9 1-16	12 5-8	12 1-2
Oct. 15	8 7-8	8	13 1-4	12 3-4
Oct. 17	7 7-8	6 1-2	13 1-8	12 1-2

Sterling, Francs and Lire Close Demand in New York

	Sterling	Francs	Lire
Oct. 11	3.47 7-8	3.92	5.12
Oct. 12	....	.....	.....
Oct. 13	3.44 1-16	3.92 5-16	5.11 1-2
Oct. 14	3.44 1-8	3.92 3-8	5.11 1-2
Oct. 15	3.44 7-16	3.92 11-16	5.11 1-4
Oct. 17	3.44 1-2	3.92 13-16	5.12 3-8

Close Demand in Toronto

Par		Oct. 3	Oct. 8	Oct. 17
5.26	Italian	5.63¾	5.63¾	5.55
23.80	German	26.17	26.12	25.78
13.90	Belgian	15.24	15.28	15.07
49.80	Japanese	26.26	26.20	25.82

Bank Chat

Canadian Bank of Commerce announces the following changes in staff and branches:

BAYVIEW & MILLWOOD, Toronto —This branch was placed on an independent basis on October 17 with D. C. IRELAND in charge.

ELM CREEK, Man.—Beginning on October 21 this sub-agency of the Carnab branch will be open for business on Friday only of each week.

GEORGE O. NESBITT, formerly manager of the Bank of Montreal at Vernon, B.C., has been transferred to manage the Owen Sound branch of that bank.

Weekly Bank Clearings

	Oct. 15, 1931	Oct. 13, 1932
Halifax	$ 2,554,886	$ 1,622,590
Saint John	1,734,227	1,273,621
Moncton	655,629	505,903
Sherbrooke	629,147	547,082
Quebec	4,574,334	3,541,541
Ottawa	5,288,445	3,433,067
Montreal	86,837,527	65,483,892
Kingston	659,091	463,468
Peterboro	556,171	486,284
Toronto	73,394,264	69,688,454
Hamilton	3,311,946	2,684,788
Kitchener	839,966	906,704
Brantford	718,065	739,259
London	2,230,980	1,879,186
Chatham	403,076	365,669
Windsor	1,951,881	1,719,076
Sarnia	325,125	299,857
Sudbury	471,452	387,856
Fort William	506,377	483,437
Winnipeg	36,007,395	45,909,875
Brandon	401,974	329,657
Regina	3,749,780	4,115,486
Moose Jaw	2,473,842	497,615
Saskatoon	1,449,953	1,683,936
Prince Albert	275,881	231,700
Edmonton	3,340,829	3,416,956
Calgary	4,863,506	6,019,946
Medicine Hat	249,487	199,068
Lethbridge	308,798	337,822
N. Westminster	477,968	362,979
Vancouver	11,888,209	10,424,230

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Head Office—Wawanesa, Man.

Nearly $100,000 in excess of premiums received was paid out by the Sun Life to beneficiaries of twenty men who were in perfect health a year ago but who lived to pay ONLY ONE PREMIUM. Ten died as the result of accidents; ten from natural causes.
In paying these claims promptly and willingly, the Sun Life was fulfilling the function for which life insurance was instituted.
Life Insurance puts the strength of men standing together behind the frailty of one man standing alone.
SUN LIFE ASSURANCE COMPANY OF CANADA
HEAD OFFICE-MONTREAL

The Empire Life Insurance Company
Insurance in Force - - $28,246,292.00 Assets - - - - - $2,222,347.00
Total Receipts 1931 - 627,974.00 Reserves - - - - - 1,592,088.00
Figures as of Dec. 31, 1931
JOHN HALLAM, President
M. P. LANGSTAFF, A.I.A., F.A.S., General Manager
CHARLES P. FELL, Vice-President
B. R. McKENZIE, Vice-President
HEAD OFFICE — TORONTO

PROTECTION
The Independent Order of Foresters is a fraternal benefit society operating under a lodge system and existing for the purpose of affording to men and women the completest protection at the minimum cost.
This protection covers practically every phase of family life. In addition to the protection afforded through its Insurance and Sick Benefit Departments, a number of practical fraternal benefits are available to its members.
Assets — $49,000,000.00
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HEAD OFFICE: TORONTO, CAN.

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Of course, you don't. But your dependents cannot pay the monthly bills on the income you might have earned IF—. Therefore, while you are insurable, give them the safeguard of a monthly cheque under one of the income plans of the Confederation Life Association. This income cannot be diminished, diverted or lost through unwise investment. It is the best permanent provision you can make for your loved ones. Then . . . if it is needed, THEY have it. And if it is not needed you have established a fund of savings to provide an income for YOUR own later needs. Why not find out exact figures, without delay? A request to the address below will bring you full information and monthly income calculator, without any obligation on your part. Write TODAY!
Confederation Life Association
TORONTO CANADA

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An Annuity Contract with a strong life insurance company will assure you a stated income AS LONG AS YOU LIVE
Such a contract can be bought outright, or by easy payments through the NEW PRUDENTIAL RETIREMENT ANNUITY POLICY
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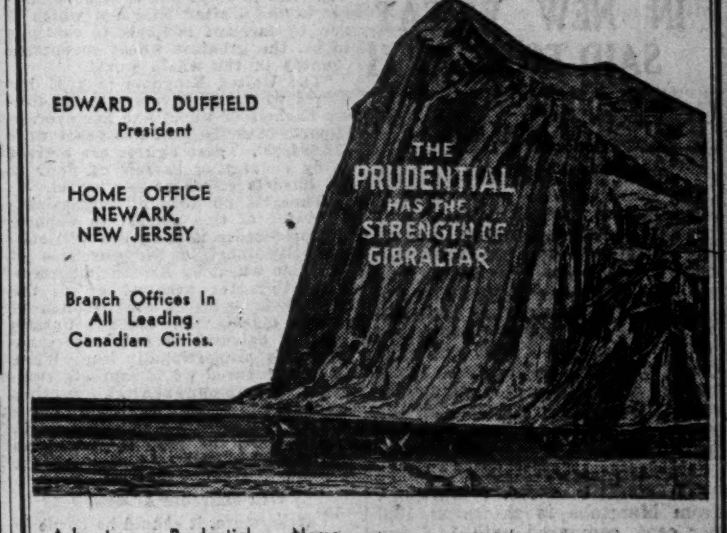

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WHEAT OUTPUT NOR. HEMISPHERE UP 33,000,000 BU.

Production in Most European Countries at Record High Level

Total wheat production of the northern hemisphere excluding Russia and China will exceed last year's production by 33,000,000 bushels and will be gearter than the average of the five years, 1926-30 inclusive by 50,000,000 bushels, according to estimates made by the International Institute of Agriculture in its September crop report.

A feature of the report is that yields have been high in all the European countries excepting the exporting countries of Eastern Europe. In the four most important producing countries which normally together furnish over half the total European production the results have been exceptionally good while the total production of the European continent is estimated as the largest recorded since the war, exceeding even the record figure of 1929. In the case of Germany, Spain, Esthonia, Finland, Italy, the Netherlands, Portugal, Sweden and Czechoslovakia, production in 1932 had no precedent; for other countries such as Austria, Belgium, France, it very nearly approaches the maximum attained in the last 20 years. Also in most European countries other than those of Eastern Europe, larger acreage has been sewn to wheat, the increase estimated at between 1,200,000 and 3,000,000 acres.

Eastern Europe Low

In the exporting countries of Eastern Europe (Bulgaria, Hungary, Poland, Roumania, and Jugo Slavia), yields have in general been very low, due particularly to damage caused by rust. Acreage has also on the whole been reduced. Production in these five countries is estimated as smaller by about 150,000,000 bushels as compared with 1931 and 75,000,000 bushels below the average of the preceding five years. As production in the remaining European countries is higher than 1931 by about 220,000,000 bushels, and higher by 240,000,000 bushels than the five year average, the net results show an increase on the continent, for the year, of 70,000,000 bushels and an increase of about 160,000,000 bushels as compared with the five year average.

North American production is estimated at about 26,000,000 bushels below 1931 and about 117,000,000 bushels below the five year average giving a total production for the northern hemisphere of 3,137,000,000 bushels which is 33,000,000 bushels higher than the corresponding figure a year ago.

PROTEIN CONTENT IN NEW WHEAT SAID TO BE HIGH

Grain Research Laboratory Issues Preliminary Report

Preliminary results obtained by the survey of the protein content of western wheat, conducted annually by the Grain Research Laboratory, indicate that the high protein content revealed last year will be maintained. Results to the end of September show that while the protein content in Manitoba is almost 1 per cent less than a year ago, there are increases in the wheat examined in the other two provinces.

Average protein content in over 1,000 samples of No. 1 Northern from Manitoba is shown at 13.9 per cent, compared with 14.6 per cent in 1931, 11.6 per cent in 1930 and 12.0 in 1929. The Saskatchewan average worked out at 14.7 per cent in 1,382 samples of No. 1 Northern tested, compared with 14.5 last year and 14.1 in 1930, while 368 samples from Alberta averages 14.3 per cent compared with 14.0 per cent last year and 14.2 in the year previous.

Northern Results Lower

Samples to date have been mainly from the southern sections of the provinces and it is stated in the report that the protein content will likely be reduced to some extent when the results of tests on wheat from the northern sections are included. It is also pointed out that much of the wheat graded No. 3 Northern is of low test weight and consequently the samples tested comprised of a large number of thin kennels which, on account of the comparatively large percentage of bran are high in protein content and do not show the same proportion to the protein content of the resulting flour as do the higher grades.

Protein Content by Provinces
Crop 1932-33 (as at Sept. 30, 1932)

Grade:	No. of samples tested	Max. %	Protein Min. %	Avge. %
Manitoba				
1 Hard	255	16.2	12.4	14.1
1 Nor.	1,062	18.1	9.3	13.9
2 Nor.	544	16.7	8.9	13.6
3 Nor.	83	16.4	10.1	13.4
Saskatchewan				
1 Hard	270	17.0	11.6	14.7
1 Nor.	1,382	18.6	10.4	14.7
2 Nor.	755	18.4	9.2	14.2
3 Nor.	141	18.4	9.4	15.1
Alberta				
1 Hard	77	17.3	12.5	14.6
1 Nor.	368	17.0	10.5	14.3
2 Nor.	142	17.8	10.2	13.9
3 Nor.	15	17.6	9.2	14.4
Total No. samples	5,094			

BENNETT OUTLINES VIEWS AND HOPES OF WHEAT TARIFF

Believes It Will Enable Canada to Maintain Acreage

Never at any time did he maintain to wheat growers that a preference on wheat in the U. K. market would set up a price differential in their favor, was the statement made by Rt. Hon. R. B. Bennett in the House of Commons last week in commenting on the preference accorded Canadian wheat in the Ottawa parley pact now ready for ratification by Parliament.

Mr. Bennett stressed the need for finding a secured market in the United Kingdom and stated that he believed the preference would enable Canadian growers to maintain their acreage while other countries would be forced to decrease their acreage to meet market requirements.

Quotation Given

His reference in this regard was: "I have never at any time represented to the wheat growers of this country that the effect of a preference would be to set up in their favor a price differential in world markets and at the expense of the British consumer.

"What I did maintain was that it was vital to us to find a secured market in the United Kingdom which is now by far, and is likely to continue to be, the greatest wheat consuming country in the whole world.

"The United Kingdom in 1931 imported what is equivalent to 250,466,000 bushels of wheat and her average imports over the past five years were 232,084,000. These figures are arrived at by converting barrels of flour at 4½ bushels of wheat per barrel.

"There is no need of emphasizing the value of this market to Canada. The preference it is agreed will substantially increase the purchase of Canadian wheat by British importers. When this, the greatest of all the markets is secured, the problem of finding markets in other countries for the balance of our exportable surplus is proportionally less. When we have secured world markets sufficient to absorb our exportable surplus, our wheat in world markets will as a result enjoy a price which is more in keeping with the cost of production and the standards of living of our farmers in this country.

Will Maintain Acreage

"Furthermore, it should be borne in mind that a preferential position in this market will be of immense advantage to Canada in maintaining our great wheat growing areas while world sources of supply are being compelled to adjust their acreage to market requirements."

Commenting on the clause in the agreement designed to restrict unfair competition, Mr. Bennett said: "I have heard it said that provision to secure this agreement against unfair foreign competition is ineffective. My answer to that criticism is this. That provision goes to the very root of this agreement. Without definite protection against unfair competition from abroad, the advantages under the agreement would be seriously impaired. It remains with the United Kingdom to provide the means by which this provision will be made operative and I for one, am content that when in honor, the United Kingdom is bound to insure its effectiveness, that effectiveness will follow upon their undertaking as the night follows upon the day.

"I must counsel any member of this House that before he prejudges this provision and dares to impugn the good faith involved in its satisfactory operation, to remember that the Canadian people acting in good faith under this agreement, will bitterly resent any suggestion that the United Kingdom is not in this, like-minded with ourselves."

Storage Facilities to be Extended

Storage facilities at the fertilizer plant of the Consolidated Mining and Smelting Co. at Warfield are to be augmented by a 6,000-ton addition. This will increase the fertilizer storage plant to 66,000 tons capacity. Work has just been started on the new structure and it will be completed in early winter in order to take care of the heavy storage demand for fertilizer just before the drilling season next year.

WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Markets

WEEK ENDING OCTOBER 17

Range 1932 High	Range 1932 Low	Divd. Rate in $	Yield in % Oct. 15		Sales	Close Oct. 10 (or last)	Week Ending —Oct. 17— High	Low	Close
3.25	.30	.	...	Abitibi	490	.62	.50	.50	.50
10	1	.	...	Do. pref.	250	1	2	1½	2
x105	80	.	...	Do. pref.	....	..	..	..	..
80	80	7	...	Acme F. D'y, p	....	80	..	..	..
5	4½	.	...	Agnew Surp.	....	5	..	..	..
70	70	7	...	Do. pref.	....	70	..	..	..
7¾	3½	.	...	Alta. Pac. Gr.	....	7½	..	..	..
45	19	.	...	Do. pref.	....	40	..	..	..
3½	1½	.	...	Amal. Electric	....	1½	..	..	..
11	7	.	...	Do. pref.	....	..	..	..	..
x3½	2½	.	...	Anglo. N. Hold.	....	..	..	..	..
.30	.15	.	...	Asbestos	25	.15	.20	.20	.20
1.00	.50	.	...	Do. pref.	10	.60	.50	.50	.50
7	4	60c	9.2	Assoc. Brew.	30	6	6½	6½	6½
71	65	7	9.8	Do. pref.	....	71	..	..	..
3	3	.	...	Assoc. Can.	....	3	..	..	..
x69	65	.	...	Assoc. Tele.	....	..	..	..	..
30	16	.	...	Atlan. Sugar	....	20¾	..	..	..
120	92	.	...	Do. pref.	....	120	..	..	..
159¾	127	10	7.7	Bk. Can. Nat.	81	130¾	130¾	130	130
225	150	10	5.2	Bk. Montreal	116	196	197	186	188
275	238	14	5.2	Bk. N. Scotia	23	270	270	267	268
193	125	10	5.6	Bk. Toronto	1	178	179	179	179
10½	10½	.	...	Barcelona	....	10½	..	..	..
3	1	.	...	Bathurst Pr.	50	1½	2	2	2
1½	½	.	...	Do. (B)	....	1½	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
20	18	.	...	Do. pref.	....	20	..	..	..
5	3	.	...	Beath & Sons	....	3	..	..	..
10½	3½	.	...	Beatty Bros. A	....	7	..	..	..
60	41	6	10.5	Do. pref.	....	57	..	..	..
3.50	.40	.	...	Beauharnois	6180	1.87	1.87	1.62	1.75
x98	55	7	...	Belding Cort.	....	..	..	..	..
90	65	7	7.8	Do. pref.	....	90	..	..	..
120	75	7	7.1	Bell Telephone	839	99½	99¾	98	98⅞
4	2	.	...	Biltmore Hats	....	4	..	..	..
50	50	7	...	Do. pref.	....	50	..	..	..
4	1½	.	...	Bissell, T. E.	....	1½	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
8	2	.	...	Blue Ribbon	....	3½	..	..	..
25	9	2	11.7	Do. pref.	....	17	..	..	..
20	17	2	11.3	Brant. Cd. pf.	18	17½	17¾	17½	17½
14¾	7¾	.	...	Brazilian Tr.	32253	10	10	8¾	9
.75	.40	.	...	Brew. & Distil.	....	.75	..	..	..
1	¼	.	...	Brewing Corp.	....	..	..	..	..
3½	1	.	...	Do. pref.	....	2½	..	..	..
11½	8	80c	9.4	Brit. Amer. Oil	11918	8½	8⅝	8	8½
3.50	.60	.	...	B.C. Packers	485	1.50	2.00	1.50	2.00
8½	4	.	...	Do. pref.	....	6	..	..	..
28	15	2	9.1	B.C. Power A	808	21½	22	21	21
7½	3¾	.	...	Do. (B)	3	6	5	5	5
6½	2	.	...	Bruck S. Mills	10	4	4	4	4
20¼	10	1	7.7	Building Prod.	5	13	13	13	13
32	17	2.40	8.6	Burt, F. N.	15	29	28	28	28
125	120	6	5	Calgary Pr.	....	120	..	..	..
4	1½	.	...	Canada Bread	....	2¾	..	..	..
85	80	7	8.2	Do. pref. A	....	85	..	..	..
25	20	2	8	Do. pref. B	....	25	..	..	..
9	6¾	1	12.9	Canada Bud	215	7½	7¾	7½	7¾
7	2	.	...	Canada Cement	447	4	4⅝	4	4¼
66	20	.	...	Do. pref.	65	30	30	28	28
b15	6	1.20	11.7	Canada Dry	1400	8½	10¼	8	10¼
6	2	.	...	Can. Forg. (A)	10	2½	2⅝	2½	2⅝
7½	2	.	...	Do. (B)	....	7½	..	..	..
x68	60	.	...	Canada Iron	....	..	..	..	..
x80	75	3	...	Do. pref.	....	..	..	..	..
15½	8½	1.50	10.6	Can. Malting	345	13½	14¼	13½	14
17	9	80c	4.7	Can. Nor. Pr.	....	17	..	..	..
92	52½	7	9.6	Do. pref.	6	73	75	73	73
x6	⅝	.	...	Can. Paving	....	..	..	..	..
x51	10⅛	.	...	Do. pref.	....	..	..	..	..
186	135	12	7.1	Can. Perman.	21	168½	168	168	168
1.00	.50	.	...	Can. Pr. & Pa.	....	.55	..	..	..
3½	½	.	...	Can. Steamsh's	....	3	..	..	..
11⅛	1	.	...	Do. pref.	30	8	7	7	7
17	9¾	1.60	10.7	Can. Vinegars	105	15¾	15	15	15
55	28½	.	...	Can. W. Cable	....	32	..	..	..
18	4	.	...	Do. (B)	95	12½	12½	12	12
1½	1½	.	...	Can. Bakeries	....	1½	..	..	..
14	10	.	...	Do. pref.	....	10	..	..	..
191	123	10	6.1	Can. Bk. Com.	86	166	166	161	164
18	9	1.25	6.9	Can. Bronze	45	17	18	17	17
102	70	7	7.4	Do. pref.	7	90½	95	95	95
6¾	1¾	.	...	Can. Canners	10	4	3½	3½	3½
80	40	6	10.3	Do. 1st pfd.	70	57	60	55	58
9	3¾	40c	6.7	Do. 2nd pfd.	250	5½	6	5½	6
8½	2½	60c	10	Can. Car & F'y	396	6	6	5½	6
19½	10	1.75	10.4	Do. pref.	324	17	16½	16½	16½
8½	3¾	.	...	Can. Celanese	15	8¼	8	8	8
71	42	7	10.1	Do. pref.	10	70	69	69	69
20	20	2	10	Can. Convert.	5	20	20	20	20
‡50	45	.	...	Can. Cottons	....	..	..	..	..
60	48½	6	12.4	Do. pref.	5	48½	48½	48½	48½
17	7	.	...	Can. Dredge	90	13½	12½	12½	12½
x92	92	7	...	Do. pref.	....	..	..	..	..
68	60	6	9.4	Can. Fairb. pf.	....	64	..	..	..
4	3	.	...	Can. For. Inv.	....	3	..	..	..
65	55	.	...	Do. pref.	....	55	..	..	..
180	115	4	3.5	Can. Gen. Elec.	....	115	..	..	..
59	50	3.50	6.2	Do. pref.	50	56	56	56	56
3¾	3¾	.	...	Can. G. Inv. T.	....	3¾	..	..	..
66	29	6	10.9	Can. Hyd. E. p	90	55	56	54	54
3	½	.	...	Can. Ind. Alc.	930	2	2	1⅞	2
2.00	.30	.	...	Do. (B)	....	1.75	..	..	..
x5.00	3.95	.	...	Can. Int. I. Tr.	....	..	..	..	..
x70	64½	.	...	Do. pref.	....	..	..	..	..
21	18	1	4.8	Can. Lt. & Pr.	....	21	..	..	..
1½	1	.	...	Can. Locomo.	....	1	..	..	..
x25	5	.	...	Do. pref.	....	..	..	..	..
2½	½	.	...	Can. Marconi	2300	1⅜	1½	1⅛	1⅜
13	7	1	10	Canadian Oil	30	10	10	9½	10
100	84	8	8.2	Do. pref.	3	100	98	98	98
22½	8½	.	...	Can. Pacific	18266	15½	16⅝	15	15½
3	1¾	.	...	Can. Vickers	....	3	..	..	..
20½	20½	.	...	Do. pref.	....	20½	..	..	..
3½	1	.	...	Can. Wineries	....	2½	..	..	..
7½	4½	1	15.4	Can. Wire Box	....	6½	..	..	..
12	7	.	...	Catelli Mac A.	375	7	7	7	7
x5	5	.	...	Do. (B)	....	..	..	..	..
x301	290	10	...	Cent. Can. L'n	....	..	..	..	..
2.05	.50	.	...	Chem. Research	....	.75	..	..	..
1	1	.	...	Claude Neon	....	1	..	..	..
8½	3	.	...	Cockshutt Plow	630	6	6	5¼	5⅝
2	½	.	...	Comm. Alcohol	....	1½	..	..	..
3¾	1	.	...	Conduits	....	1½	..	..	..
x94	84	.	...	Do. pref.	....	..	..	..	..
8	2¾	.	...	Cons. Bakeries	357	3⅜	3⅜	2¾	3½
5	1	.	...	Cons. Industries	10	2⅛	1½	1½	1½
4	4	.	...	Cons. Paper	....	4	..	..	..
15	5	.	...	Cons. Press	25	7	7	6	6
35	30	2	...	Cons. Sand. pf.	....	35	..	..	..
102	25	.	...	Cons. Smelters	3957	72	70	65½	68
175	142	10	5.7	Consumers Gas	19	170	175	170	175
‡35	30	.	...	Cooksville Co.	....	..	..	..	..
‡85	85	.	...	Do. pref.	....	..	..	..	..
‡90	90	.	...	Corr. P. Box, p	....	..	..	..	..
3½	2½	.	...	Cosgrave Brew.	30	3½	3	3	3
5⅛	2	.	...	Cosmos Imp.	....	5	..	..	..
68	40	3.50	7.4	Do. pref.	5	46	47½	47½	47½
3	2	.	...	Crown Dom. Oil	160	2½	2½	2½	2½
20	8	4	...	Crow's N. Coal	2	18	15	15	15
1½	1½	.	...	David & Fre. B	....	1½	..	..	..
x12½	12½	.	...	De Havilland	....	..	..	..	..
15	10	.	...	Do. pref.	....	10	..	..	..
x9	5	.	...	Disher Steel	....	..	..	..	..
x10	10	1.50	...	Do. pref.	....	..	..	..	..
7½	3⅜	.	...	Distill-Seagram	395	6	6⅛	5⅞	6
7	7	.	...	Dodge "A" pf.	....	7	..	..	..
2	1½	.	...	Do. (B)	....	2	..	..	..
194	125	10	6	Dom. Bank	17	168	169½	166	166
27	9	2	11.8	Dom. Bridge	582	16½	17	16	17
x40	40	.	...	Dom. Coal	....	..	..	..	..
22½	12	.	...	Dom. Engineer.	120	16	13	12	12
78	30	5	6.9	Dom. Glass	25	78	72	72	72
112	85	7	6.9	Do. pref.	....	100½	..	..	..
5½	1½	20c	8	Dom. Motors	20	2½	2½	2	2½
7½	3½	.	...	Dom. Pr. Stubs	....	6	..	..	..
3	1	.	...	Dom. St. & C B	1135	1½	1½	1¼	1⅜
20⅛	13	1.20†	6.7	Dom. Stores	535	17½	17¾	17	17½
5	2	.	...	Dom. Tar & Ch.	25	2½	2½	2½	2½
30	30	.	...	Do. pref.	....	30	..	..	..
63½	39	5	10	Dom. Textile	389	53¾	52½	49	50
105	70	7	6.9	Do. pref.	47	99	102	101	102
x12	10	.	...	Donnacona	....	..	..	..	..
3	½	.	...	Dryden Paper	365	2	1½	1½	1½
4	2	.	...	Duff. Paving	....	2	..	..	..
49	26	.	...	Do. pref.	....	26	..	..	..
20	3	.	...	East. Koot. Pr.	....	3	..	..	..
x97	94½	.	...	Do. pref.	....	..	..	..	..
16	6½	.	...	East. Dairies	10	7	7	7	7
9½	9½	1	...	East. Steel	....	9½	..	..	..
74	74	7	9.4	Do. pref.	10	..	74	74	74
‡34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
1	1	.	...	Easy Washer	....	1	..	..	..
9	4½	75c	9.9	Economic Inv.	....	7½	..	..	..
x15	15	.	...	Edmonton D'y	....	..	..	..	..
x80	78¾	6.50	...	Do. pref.	....	..	..	..	..
4	4	.	...	Enam. & Heat.	....	4	..	..	..
19	6	.	...	Eng. Electric	....	8	..	..	..
2½	1½	.	...	Do. (B)	....	2	..	..	..
8	6	.	...	Fam. Players	....	7	..	..	..
10	7½	.	...	Do. Vot. Tr.	....	10	..	..	..
10	7	.	...	Fanny Farmer	....	7	..	..	..
29	25	2.40	9.6	Do. pref.	....	25	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
16¾	5¾	.	...	Ford Motors A	2017	8	8¼	7½	7¾
3⅞	1⅞	.	...	For. Pr. Secs.	....	2¼	..	..	..
9	4	.	...	Foundation Co.	....	4	..	..	..
1.25	.25	.	...	Fraser Cos.	....	.40	..	..	..
50	50	.	...	Front. Brew.	....	50	..	..	..
50	50	.	...	Do. pref.	....	50	..	..	..
x8	5	.	...	Frost Steel	....	..	..	..	..
37	37	.	...	Do. pref.	....	37	..	..	..
2½	⅜	.	...	Gen. St. Wares	195	1½	1⅝	1½	1⅝
84	38	5	6.8	Goodyear Tire.	19	70	73	71	72
95	70	7	7.4	Do. pref.	35	92½	94½	94	94½
x93½	93½	.	...	Gould Pumps p	....	..	..	..	..
1⅞	⅝	.	...	G. W. Saddlery	200	1	1	1	1
7	5	.	...	Do. pref.	....	5	..	..	..
21	8	1	10	Gurd, Chas.	15	10	10	10	10
106	100	7	7	Do. pref.	10	100	100	100	100
5	2	.	...	Gypsum, Lime	655	3¼	3¼	2⅞	3
7	2	.	...	Ham. Bridge	140	4½	5	4½	4½
60	44½	.	...	Do. pref.	....	45	..	..	..
10	6	.	...	Ham. Cot., pf.	....	6	..	..	..
2½	1½	.	...	Ham. U. Theat.	....	2½	..	..	..
53	48	7	14	Do. pref.	....	50	..	..	..
4	2	.	...	Hayes Wheel	....	2	..	..	..
‡95	80	.	...	Do. pref.	....	..	..	..	..
‡50	50	.	...	Hillcrest Coll.	....	..	..	..	..
‡91	91	.	...	Do. pref.	....	..	..	..	..
2½	1	.	...	Hinde & Dauch	....	2	..	..	..
x75	75	.	...	Holt Renfrew	....	..	..	..	..
‡96½	90	7	...	Do. pref.	....	..	..	..	..
3⅜	½	.	...	Honey Dew	....	2½	..	..	..
40	10	.	...	Do. pref.	10	10	10	10	10
4	2	.	...	H. Smith Pap.	....	2½	..	..	..
27	16	.	...	Do. pref.	45	19¾	18	17½	18
21¾	15	2	10	Humberstone S	15	20	20	17	17
17¾	6½	1	12.5	Hunt (A)	....	8	..	..	..
x23½	18½	1	...	Do. (B)	....	..	..	..	..
108	93	8	7.6	Huron & E Mt	5	105	105	105	105
17	17	.	...	Do. 20% pd.	....	17	..	..	..
11½	4¾	.	...	Hydro Electric	....	6	..	..	..
193	130	10	5.9	Imperial Bank	43	168	170	166½	166½
11⅞	7⅞	50c	5.1	Imperial Oil	7322	8¾	9¼	8⅝	9¼
9⅝	6	35c°	4.2	Imperial Tob.	873	8	8⅜	8	8⅜
x80	80	8	...	Inter. Coal, p.	....	..	..	..	..
6	6	.	...	Int. Hyd. E. A.	....	6	..	..	..
97	88½	7	7.6	Inter. Mill. pf.	....	92	..	..	..
80	77	6	7.5	Do. Series A.	....	80	..	..	..
13½	4	.	...	Inter. Nickel	33079	8¼	9¼	8¼	8¾
4	4	.	...	Inter. Paints	....	4	..	..	..
b4⅝	½	.	...	Int. Pa & Pr A	....	1½	..	..	..
b2	½	.	...	Do. (B)	....	..	..	..	..
b1½	½	.	...	Do. (C)	400	⅜	⅜	⅜	⅜
b12½	2	.	...	Do. pref.	700	5	5	4½	4⅞
13½	9½	1	9.3	Inter. Pete.	1032	10½	11	10½	10½
x8	5	.	...	Inter. Power	....	..	..	..	..
x78	56½	.	...	Do. pref.	....	..	..	..	..
11	2	.	...	Int. Util. (A)	25	8½	8½	8	8
4	¾	.	...	Do. (B)	485	2½	2½	1½	2
x40	40	1	...	Jam. Pub. Ser.	....	..	..	..	..
86	79	7	8.8	Do. pref.	5	85	79	79	79
4	2½	.	...	Kelvinator	5	3	2¾	2¾	2¾
90	55	7	12.7	Do. pref.	....	55	..	..	..
9¾	4	.	...	Lake of Woods	60	7½	7½	7	7½
40	40	.	...	Do. pref.	....	40	..	..	..
x140	140	8	...	Landed Bank	....	..	..	..	..
40	28	3	7.7	Laura Secord	55	39	39	39	39
8	1½	.	...	Lindsay, C. W.	....	3	..	..	..
60	36	6.50	17.5	Do. pref.	40	36	37	37	37
12	9	80c	7.3	Loblaw (A)	473	11½	11½	10¾	10¾
11½	8	80c	7.3	Do. (B)	110	11	11	10¾	11
‡2½	2½	.	...	Loew's, London	....	..	..	..	..
x25	19	.	...	MacKin. Steel	....	..	..	..	..
x95	90	7	...	Do. pref.	....	..	..	..	..
7	6½	.	...	Manitoba Pr.	....	7	..	..	..
5	2	.	...	Maple Leaf	....	4	..	..	..
20½	8	.	...	Do. pref.	60	16	16	15	16
x38	30	.	...	Marcus Loew's	....	..	..	..	..
60	30	.	...	Do. pref.	....	30	..	..	..
5¾	2½	.	...	Massey-Harris	1210	4½	4½	4	4
11⅛	7	60c	6.7	McColl Fron.	662	9½	9¼	8½	8½
68	58	6	9.1	Do. pref.	15	66	66	65	66
x45	35	.	...	Mexican L & P	....	..	..	..	..
‡25	25	.	...	Mercury Mills	....	..	..	..	..
‡89	58½	.	...	Do. pref.	....	..	..	..	..
x40½	40	.	...	Mitchell, J. S.	....	..	..	..	..
105	105	7	6.7	Do. pref.	....	105	..	..	..
8½	3	.	...	Mitchell, Robt.	....	6	..	..	..
x1	1	.	...	Monarch Knit.	....	..	..	..	..
30	20	.	...	Do. pref.	....	20	..	..	..
75	45	6	12	Montreal Cot.	5	46	50	50	50
75	65	7	10	Do. pref.	10	70	70	70	70
2½	2½	.	...	Montreal Exhib.	....	2½	..	..	..
11	6½	.	...	Mont. Is. Pr.	....	6½	..	..	..
39½	20½	1.50	4.4	Mont. L. & Pr.	3905	34⅛	34½	32¾	33½
48	48	3+25	6.8	Montreal Loan	....	48	..	..	..
47	40	3.20	8	Montreal Tele.	....	40	..	..	..
150	90	10	8.7	Mont. Trams.	....	115	..	..	..
11	4½	.	...	Moore Corp.	30	8½	8½	8½	8½
93	62	7	8.7	Do. (A)	10	78	80	80	80
97	69	7	7.8	Do. (B)	15	87	92	90	92
‡10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
‡49	49	.	...	Do. pref.	....	..	..	..	..
2	½	10c	...	Muirheads	....	1	..	..	..
9	8	75c	8.3	Do. pref.	....	9	..	..	..
24	9½	1.60	10	Nat. Brew.	1118	16½	16½	15½	16
28	25	1.75	6.7	Do. pref.	325	27½	26½	26	26
½	½	.	...	Nat. Brick	....	..	..	..	..
3	3	.	...	Do. pref.	....	3	..	..	..
13½	6	80c	8.9	Nat. Steel Car.	850	9½	9½	8½	9
255	175	12	5.6	National Tr.	....	215	..	..	..
10	10	.	...	Niag. W. Weav.	....	10	..	..	..
20	20	.	...	Do. pref.	90	20	20	20	20
2.50	1.50	.	...	North Star Oil	20	2.50	1.75	1.75	1.75
4.00	4.00	35c	...	Do. pref.	....	4.00	..	..	..
‡25	25	.	...	N.S. Steel, pf.	....	..	..	..	..
150	90	8	6.1	Ogilvie Flour	1	135	131	131	131
112	96	7	6.4	Do. pref.	....	110	..	..	..
9	4	.	...	Ont. Eq. 10% p	....	5½	..	..	..
102	94½	6	6	Ontario Loan	76	101	100	100	100
x7	5	.	...	Ont. Silknit	....	..	..	..	..
x16	13	.	...	Ont. Steel	....	..	..	..	..
‡105	105	7	...	Do. pref.	....	..	..	..	..
½	½	.	...	Orange Crush	....	½	..	..	..
45	18	.	...	Do. (A)	....	18	..	..	..
½	½	.	...	Do. (B)	....	½	..	..	..
100	87	6	6.5	Ott. L. H. & P.	20	92	92	92	92
100	90	6.50	7.2	Do. pref.	....	90	..	..	..
10	10	.	...	Ott. Traction	....	10	..	..	..
68½	35	3	6	Page Hersey	135	50½	50½	49½	49½
b11½	1½	.	...	Paramount	50200	3½	4½	3⅜	3½
x35	30	.	...	Paton Mfg.	....	..	..	..	..
x94	92	7	...	Do. pref.	....	..	..	..	..
⅜	½	.	...	Pelissiers	....	⅜	..	..	..
x30	25	.	...	Do. pref.	....	..	..	..	..
33½	18	3	10	Penmans	52	30	30	30	30
80	65	6	8	Do. pref.	....	75	..	..	..
19½	9	.	...	Photo Eng.	25	10½	10	10	10
x40	10	.	...	Port Alfred, pf	....	..	..	..	..
x70	64	7	...	Porto Rico Pr. p	....	..	..	..	..
b17½	1½	.	...	Postal Tele. p	....	..	..	..	..
36½	6	.	...	Power Corp.	1182	11	10½	9	9½
90	25	6	10	Do. pref.	....	60	..	..	..
2	2	.	...	Prairie C. Oil.	....	2	..	..	..
11	5	.	...	Pressed Metals	....	10½	..	..	..
5	3½	.	...	Price Bros.	5	5	3½	3½	3½
x99	70	.	...	Do. pref.	....	..	..	..	..
29	9¼	1.50	11.1	Quebec Power	1359	13	15	12½	14½
105	105	7	6.7	Real Estate Ln	....	105	..	..	..
2.00	.25	.	...	Regent Knit.	175	.55	.60	.60	.60
10	5½	.	...	Reliance Grain	....	9	..	..	..
12	6¼	1	9.5	River. S. Mills	....	10½	..	..	..
12	5½	1	17.4	Robinson Cone	30	6½	5½	5½	5½
4	1½	.	...	Rogers Majes.	....	1½	..	..	..
171	120	10	6.1	Royal Bank	136	168	166	162½	163
x84	75	.	...	Ruddy, E. L. p	....	..	..	..	..
33	32½	1	3.1	Russell Motor	....	32½	..	..	..
70	35	7	14.6	Do. pref.	....	48	..	..	..
4	3	.	...	Sarnia Br. (A)	....	3	..	..	..
1	1	.	...	Do. (B)	....	1	..	..	..
7	3	.	...	Serv. Sta.	365	3½	3½	3½	3½
46	20	.	...	Do. pref.	10	25	25	25	25
33	7½	.50	3.4	Shawinigan	6311	13½	14½	12½	14½
20	7	.	...	Sher. Wms.	10	10	9	9	9
80	68½	7	10	Do. pref.	....	70	..	..	..
17	5	.	...	Simon & Son	....	5⅛	..	..	..
80	60	7	11.7	Do. pref.	....	60	..	..	..
55½	12	.	...	Simpson, Ltd.	....	24	..	..	..
x44½	36	.	...	Do. (A)	....	..	..	..	..
9	9	.	...	Do. (B)	....	9	..	..	..
82	62	6	7.5	Simpson, R., p.	....	80	..	..	..
25	10	1	5.3	So. Can. Pr.	40	19	19	19	19
90	60	6	7.5	Do. pref.	22	82	80	80	80
1.00	.45	.	...	St. Law. Corp.	15	.50	.60	.60	.60
4	1½	.	...	Do. (A)	10	2½	2½	2½	2½
30	9	1.50	5	St. Law. Flour	50	30	30	30	30
99½	70	7	7	Do. pref.	....	99½	..	..	..
11	1½	.	...	St. Law. Pa. p	....	7	..	..	..
3	1½	.	...	St. Pav. & Mat.	....	2½	..	..	..
46	25	2	6.8	Do. pref.	....	29½	..	..	..
6	4	50c	...	Stand. Chem.	....	6	..	..	..
5½	1½	.	...	Stand. Steel	125	3½	3½	3	3½
x35	30	3	...	Do. pref.	....	..	..	..	..
24	10½	1.75	8.7	Steel of Can.	440	20	20½	19½	20
30½	20	1.75	6.2	Do. pref.	43	30	30	27½	27½
½	½	.	...	Sterling Coal	....	½	..	..	..
18	9½	1	7.7	Sup. Pete. ord.	110	13⅜	13	12¼	13
16½	16½	1	6.1	Do. com.	....	16½	..	..	..
98	90	7	7.7	Do. pref.	....	90½	..	..	..
42	35	.	...	Tamblyn	....	40	..	..	..
100½	95	7	7.3	Do. pref.	....	95½	..	..	..
18	14½	3.50	23.3	Thayers, pfd.	20	14½	15	15	15
7	3	.	...	Tip Top Tailors	....	3	..	..	..
67	60	7	12.7	Do. pref.	....	55	..	..	..
x22	10	.	...	Tooke Bros.	....	..	..	..	..
x67	48½	.	...	Do. pref.	....	..	..	..	..
15	7	.	...	Tor. Elevators	15	14	13½	13½	13½
210	125	10	5.7	Tor. Gen. Tr.	22	175	175	175	175
108	85	6	5.8	Toronto Mtge.	....	103	..	..	..
¼	¼	.	...	Traymore	....	¼	..	..	..
2½	2	.	...	Do. pref.	....	2	..	..	..
120	103	7	6.6	Tuckett Tob. p	5	105½	106½	106½	106½
5	2	.	...	Twin City	....	5	..	..	..
b24½	7	.	...	Do. pref.	....	..	..	..	..
37	23	.	...	Do. (notes)	....	23	..	..	..
7	1½	.	...	Union Gas	15	5½	5	5	5
100	100	5	5	Union Trust	....	100	..	..	..
x8	8	.	...	United Fuel	....	..	..	..	..
15	3	.	...	Do. pref.	30	8	7	7	7
24⅝	18	2	11.1	United Secs.	....	18	..	..	..
11	5	.	...	Viau Biscuit	....	9	..	..	..
75	59	7	11.9	Do. pref.	....	59	..	..	..
12	4	.	...	Wabasso Cot.	....	10	..	..	..
8	2½	.	...	Walker-Good.	3368	5⅝	6⅝	5⅝	6¼
12	9	1	10.5	Do. pref.	2660	9⅜	9½	9¼	9⅞
3½	1	.	...	Waterloo Mfg.	100	2	2	2	2
80	75	7	...	W. Koot. Pr.	....	80	..	..	..
8	5½	.	...	West. C. Flour	....	8	..	..	..
60	54	6.50	11.1	Do. pref.	....	58½	..	..	..
12⅛	10	.	...	West. Grocers	42	12	12¼	11½	12¼
59½	43	7	11.7	Do. pref.	40	53	59½	58	59½
x91	85	.	...	W. Steel Pr. p	....	..	..	..	..
23	16½	1	4.5	Weston Bisc.	5	22¼	22	22	22
.70	65	7	10	Do. pref.	....	70	..	..	..
10	3	.	...	Windsor Hotel	....	3	..	..	..
38	10	.	...	Do. pref.	....	11	..	..	..
8	2	.	...	Winnipeg Elec.	365	5	4¼	4⅛	4¼
20	13	.	...	Do. pref.	20	16	15	15	15
x46	46	.	...	Woods Mfg. p.	....	..	..	..	..

x Quotations for 1931. No sales recorded in 1932 to date.
b New York Quotations.
‡ Quotations for 1930.
† Plus 30c. extra paid Jan. 2, 1932.
° Plus final div. of 17½c paid March 31, 1932.

Active Unlisted Bonds

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers, Toronto
October 18, 1932

	Bid	Asked
Industrial Bonds:		
Abitibi P. & P. 5% 1953	20.50	22.00
Acadia Sugar 6% 1946	84.00	86.00
Alta. Pac. Grain 6% 1946	84.00	86.00
American Sales Book 6% 1939	104.00	....
Arnold Bros 6% 1947	40.00	50.00
B. A. Oil 5% 1945	87.00	89.00
Canada Biscuit 6½% 1946	29.00	35.00
Canada Bread 6% 1941	87.00	....
Canada Cement 5½% 1947	80.50	82.50
Can. Bakeries 6½% 1945	50.00	60.00
Can. Canners 6% 1950	75.00	77.50
Can. Copper Refin. 6% 1945	95.50	98.00
Can. Cottons 5% 1940	83.00	88.00
Can. Steamship 6% 1941	45.00	47.00
Can. Vickers 6% 1947	74.00	76.00
Cons. Invest. 4½% 1959	40.00	....
Cosmos Imp. Mills 6½% 1944	86.00	....
Davies, Wm., 6% 1942	82.00	85.00
Debenture & Sec. 4% 1936	50.00	52.00
Dom. Manufacturers 6% 1933	96.00	....
Dom. Tar & Chemical 6% 1949	75.00	77.00
Dom. Telegraph 5½% 1978 "A"	85.00	87.00
Dom. Textile 6% 1949	93.00	....
Dom. Woollens 6% 1948	....	23.00
Donnacona Paper 5½% 1948	20.00	....
Eaton Realty 5% 1949	84.00	....
Famous Players 6% 1948	73.00	76.00
Famous Players 6½% 1948	55.00	58.00
Federal Grain 6% 1949	80.00	83.00
Fraser Co. 6% 1932	16.00	....
Fraser Co. 6% 1950	17.00	....
Galt Brass 7½% 1941	25.00	35.00
Goodyear Cotton 6% 1949	95.00	98.00
Great Lakes Paper 6% 1950	15.00	17.00
Gypsum, Lime & Alab. 5½% 1948	55.50	57.00
Harris Abattoir 6% 1947	86.00	....
Howard Smith 5½% 1953	62.00	64.00
Loew's Toronto 6% (Serial)	95.00	100.00
London Realty 6½% 1950	52.00	57.00
Maple Leaf Milling 5½% 1949	60.00	63.00
Massey Harris 5% 1947	70.00	72.00
McColl Frontenac 6% 1949	87.00	90.00
McKinnon Industries 6½% 1945	93.00	97.00
Mercury Mills 5½% 1953	40.00	45.00
Metropolitan Bldg. 7% 1944	84.00	90.00
Nor. Ont. Bldg. 6½% 1939	68.00	71.00
Price Bros. 6% 1943	45.00	47.00
Richmond Bay 6½% 1947	62.50	68.00
Rolland Paper 5½% 1948	66.00	....
Simpsons Ltd. 5½% 1949	72.00	....
Simpsons Ltd. 6% 1949	74.00	76.00
Steel of Can. 6% 1940	102.00	105.00
Toronto Carpet 6% 1944	70.00	80.00
United Gas & Fuel 5½% 1948	54.00	57.00
United Grain Growers 5% 1948	80.00	84.00
United Grain Growers 5½% 1949	84.00	....
Western Grain 6% 1949	73.00	75.00
Public Utility Bonds:		
Bell Telephone 5% 1955	108.00	110.00
Bell Telephone 5% 1957	108.00	110.00
B. C. Power 5% 1960	84.00	88.00
B. C. Telephone 5% 1960	93.00	96.00
Calgary Power 5% 1960	86.00	89.00
Can. Northern Pwr. 5% 1953	82.00	86.00
Duke Price Power 6% 1966	60.00	65.00
Elec. Develop. 5% 1933	109.00	....
French Natl. Mail SS 6% 1952	113.00	120.50
Gatineau Pwr. 5% 1956	80.50	82.50
Gatineau Pwr. 6% 1941 Apr. 1	73.50	75.00
Inter. Pwr. 6½% 1957	59.00	61.00
Maclaren Quebec 5½% 1961	80.00	85.00
Manitoba Power 5½% 1951	62.00	65.00
Montreal Isl. Pwr. 5½% 1957	97.00	100.00
Montreal LH&P 5% 1951	104.50	108.00
Montreal LH&P 5% 1970	104.00	107.00
Montreal Tram. 5% 1941 July	98.00	100.00
Montreal Tram. 5% 1955	84.00	87.00
Northwest Utilities 7% 1938	89.50	95.00
Ont. Pwr. Service 5½% 1950	79.25	80.25
Ottawa Valley Pwr. 5½% 1970	95.50	97.00
Quebec Power 5% 1968	90.00	94.00
Rio Tramways 5% 1935	85.50	87.00
Shawinigan W & P 4½% 1970	70.00	75.00
Shawinigan W & P 5% 1970	79.00	81.00
Shawinigan W & P 6% 1937	91.00	94.00
Southern Can. Pwr. 5% 1953	92.00	95.00
West Kootenay Pwr. 5% 1956	92.00	94.00
Government Provincial & Railway:		
C.N.R. 4½% 1951 Dom. Gtd.	98.00	98.75
C.N.R. 4½% 1957 Dom. Gtd.	98.00	98.75
C.N.R. 5% 1969 Dom. Gtd.	104.50	106.00
C.P.R. 4½% 1944	84.00	85.50
C.P.R. 5% 1954	93.00	96.00
C.P.R. 6% 1942	104.00	106.00
Dom. of Can. 5% 1936	102.00	102.50
Dom. of Can. 5% 1941	102.25	102.50
G.T.P. 3% 1962 Dom. Gtd.	75.50	77.00
G.T.P. 4% 1962 Dom. Gtd.	90.00	91.00
Ont. Hydro 5% 1939 Ont. Gtd.	100.00	100.75
Ont. Hydro 4% 1957 Ont. Gtd.	87.00	90.00
Prov. of N.B. 5½% 1950	103.00	104.00
Prov. of Ontario 4½% 1944	101.00	102.50
Prov. of Ontario 5% 1948	101.75	102.50
Prov. of Ontario 5½% 1947	105.00	106.00

Unlisted Canadian Stocks

(Furnished by A. J. Pattison, Jr. & Co., Limited)
Investment Bankers—Toronto
October 18, 1932

	Bid	Asked
Industrial Stocks:		
Acadia Sugar c.	.55	1.00
Acadia Sugar pf.	2.85	3.25
Acme Farmers Dairy pfd.	61.00	68.00
Acme Glove pfd. bonus c.	6.00	9.00
Agnew Surpass pfd.	62.50	70.00
Allens Lond. pfd.	31.25	....
Andian Nat. Corp.	22.75	26.25
B.C. Pulp & Paper pfd.	5.75	8.00
Burns pfd. bonus com.	5.00	6.50
Can. & Dom. Sugar c.	20.50	22.50
Can. Mach. c.	2.00	4.00
Can. Mach. pfd.	12.00	20.00
Can. Pack. c.	13.00	14.50
Can. Pack. pfd.	66.00	....
Can. Starch pfd.	63.50	68.00
Can. Tea pfd.	....	54.00
Can. Wire & Cable pfd. W.W.	73.50	75.00
Can. Industries c. "A"	79.00	81.00
Can. Industries c. "B"	77.00	78.00
Can. Industries 7% pfd.	110.50	111.50
Can. Westing.	39.00	41.50
Chase, A. W. Units	22.00	25.00
Claude Neon Gen. Adv. Units	21.00	22.50
Claude Neon Gen. Adv. c.	1.35	2.00
Crescent Creamery pfd.	61.25	70.00
Dodge Manufacturing "A" pfd.	5.00	....
Dodge Manufacturing "B" c.	2.25	....
Dom. Foundries & Steel c.	5.00	8.00
Dom. Foundries & Steel pfd.	70.00	73.00
Dom. Mfrs. pfd.	68.25	72.00
Dunlop Tire 7% pfd.	43.00	45.00
Eastern Dairies Ltd. pfd.	60.50	65.00
Edmonton Stockyards Units	....	52.00
Fed. Grain pfd.	40.00	42.00
Gen. Steel Wares Ltd. pfd.	7.50	9.00
Greening Wire 7% pfd.	67.50	72.00
Guardian Realty pfd.	18.50	24.00
Guelph Carpet pfd. bonus c.	70.50	73.00
Guelph Carpet c.	5.25	....
Inter. City Baking com.	33.50	38.00
Inter. Proprietaries "A"	25.25	26.00
Langleys pfd.	....	35.00
Loew's London 7% pfd.	2.75	3.25
Maple Leaf Gdns. pfd. bonus c.	3.25	3.75
Massey Harris pf.	16.25	17.00
Melchers Distilleries "A"	1.50	....
Mount Royal Hotel c.	.75	1.25
Mount Royal Hotel pfd.	5.25	7.50
Nat. Grocers c.	1.00	1.65
National Grocers 2nd pfd.	40.00	43.00
National Sewer Pipe "A"	18.00	....
National Sewer Pipe c.	7.00	....
Neilson, Wm., c.	5.50	....
Ontario Silknit pf.	15.50	18.50
Provincial Paper 7% pfd.	42.00	45.00
Reliance Grain pf.	61.00	....
Rolland Paper pfd. W.W.	30.50	33.00
Standard Clay Products c.	17.00	20.00
Standard Fuel pfd. bonus	55.00	58.00
Supertest Petroleum "B"	17.00	21.00
Toronto Brick pf.	....	39.00
Toronto Carpet c.	....	90.00
Toronto Carpet 8% pfd.	....	85.00
Toronto Elevators 7% pfd.	75.00	76.50
Industrial Stocks:		
Toronto Hous. c.	14.50	[illegible]
Western Grain pfd. bonus c.	28.00	[illegible]
Willards Choc. pf.	....	[illegible]
Insurance Stocks:		
Br. Amer. Assce.	31.00	[illegible]
Canada Life Ass.	370.00	410.00
Can. Fire Ins.	62.00	[illegible]
Confederation Life 20% pd.	120.00	130.00
Continental Life 20% pd.	48.00	58.00
Crown Life Ins.	110.00	120.00
Dom. Fire Ins.	91.50	100.00
Dom. Life 50% pd.	235.00	270.00
Dom. of Can. Gen. Ins.	120.00	130.00
Excelsior Life 30% pd.	76.00	85.00
Fidelity Ins of Can.	....	70.00
Great West Life Assce.	240.50	246.50
Guarantee Co. of N. A.	176.00	[illegible]
Halifax Fire Ins.	11.00	12.00
Imp. Life Assce.	242.00	260.00
Mfrs. Life Ins.	232.00	245.00
Monarch Life 10% pd.	19.00	24.00
Nat. Life 25% pd.	67.00	74.50
Saskatchewan Life 10% pd.	11.00	16.00
Sovereign Life 25% pd.	18.00	23.00
Sun Life Assce.	265.00	290.00
Western Assce. c.	15.00	18.00
Western Life 20% pd.	7.00	11.00
Trust & Loan Stocks:		
Can. Gen. Invest. Ltd.	3.60	[illegible]
Chartered Trust	64.50	70.00
Deb. & Sec. pfd.	22.00	....
Eastern Can. Sav. & Loan	100.00	114.00
Eastern Trust	150.00	170.00
Guelph & Ont. Inv. par $50	45.50	51.00
Lambton Loan & Sav.	53.25	60.00
London & Western Trust	81.00	85.00
Investment Foundation Units	19.00	22.00
Mtge. Disc. pfd.	2.35	3.00
Mutual Fin. pfd.	....	2.25
Northern Trust	....	24.50
Premier Trust	84.00	88.00
Provincial Bank	98.00	101.00
Security Loan & Savings	95.50	103.00
Sherbrooke Trust	100.00	110.00
Sterling Trust	58.00	60.00
Traders Fin. c.	.50	[illegible]
Traders Fin. pfd.	16.50	....
Trusts & Guar.	43.50	....
Union Trust	....	90.00
Victoria Trust & Savings	171.00	....
Waterloo Trust & Savings	97.00	105.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	94.50	[illegible]
Calgary Pwr. 6% pfd.	76.25	78.00
Can. Light & Pwr. com.	20.00	22.00
Can. West. Nat. Gas LH&P c.	19.50	25.00
Can. West. Nat. Gas LH&P pfd.	77.00	[illegible]
Great Lakes Pwr. pfd.	....	67.00
Maritime Tel. & Tel. c.	11.00	[illegible]
Maritime Tel. & Tel. pfd.	11.50	[illegible]
N.B. Tel. c.	8.25	9.00
N.S.L. & P. pfd.	72.00	[illegible]
Recent London Quotations:		
Brewer Distillers	....	[illegible]
Can. & For. sec.	....	[illegible]
Can. West. Lumber	....	[illegible]
Hudson's Bay	....	[illegible]
Do., 5%	....	[illegible]
Internat. Holdings	....	[illegible]
Nfld. Pr. & Pap. deb. stock "B"	....	101½
Trust & Loan of Can.	..	[illegible]

Listed Bond Quotations

Week Ending October 17

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range, 1932 High	Low
Abitibi, 1st mtge.	5	1953	...	20	...	...	46	19¼
Asbestos	5	1942	...	19	...	...	65½	49
Do., 1st mtge.	6	1941	...	...	...	...	*20	14
Do., gen. mtge.	6	1956	...	...	...	...	*9	...
Can. Cons. Rub.	6	1946	...	...	...	...	*69½	...
Can. Cottons	5	1940	...	...	...	...	*91	90
Can. Forgings	6	1942	...	...	...	...	*100	...
Can. Locomotive	6	1951	...	...	...	...	‡96	...
Can. Pr. (Laur.)	5½	1958	...	...	...	...	7	5
Do. (Way. Ser.)	5½	1958	...	...	...	...	*28½	5½
Can. S. S. debs.	5	1943	7.30	83	83¼	...	83½	...
Cedars Rapids	5	1953	5.00	...	...	...	101	95
Dom. Canners	6	1940	...	...	...	...	‡103	...
Dominion Coal	5	1940	...	43	45	...	50	45
McNish	6	1948	...	2.00	2.00	...	2.25	1.00
Mex. L. & Pr.	5	1940	...	...	...	...	*73½	70½
Mont. Pr. deb.	3	1939	...	42	42¾	42	44	35
Mont. Tr. 1st mtg.	5	1941	5.27	...	98¾	...	98¾	90¾
Mont. Trams. "A"	5	1955	6.33	...	84¾	84	85½	69½
Do., G. & Ref. "B"	5	1955	7.45	...	...	...	79¾	78¾
Do., "C"	4½	1955	6.45	...	77	...	77	...
Do., "D"	5	1955	6.62	...	...	...	81	78
N. S. Steel	5	1959	...	...	...	...	*62¾	59
Ontario Steel	6	1948	5.94	90	...	...	100½	...
Porto R. Pr.	5	1936	...	...	...	...	*93	88
Steel of Canada	6	1940	5.90	102	...	...	102⅞	100½
Wayagamack	6	1951	...	...	...	...	*75	45
Winnipeg Elec.	5	1935	...	88	...	...	86	...
Toronto								
Canada Bread	6	1941	...	...	...	...	*101½	100
Steel of Canada	6	1940	...	...	...	...	102½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1937	2.62	108.00	110.00	....	110.00	102.00
Victory Loan	5½	1933	3.92	101.50	....	....	101.55	100.25
Do.	5½	1934	4.23	102.25	....	....	102.00	99.25
Do.	5½	1937	3.73	108.00	....	....	109.75	104.00
Do., refund	4½	1940	4.56	99.25	....	....	98.25	91.50
Do., refund	5	1943	4.66	102.25	....	....	102.50	95.38
Do., refund	4½	1944	4.60	98.00	....	....	96.75	89.50
Do., refund	4½	1946	4.60	98.00	....	....	92.25	91.50
Conversion Loan	4½	1956	4.76	97.75	....	....	91.50	88.25
Do.	4½	1957	4.84	97.75	....	....	90.50	88.50
Do.	4½	1958	4.63	98.50	98.00	....	98.00	88.50
Do.	4½	1959	4.60	99.50	99.25	99.00	99.00	88.75
Nat. Service Loan	5	1936	4.45	102.12	101.75	....	101.75	96.25
Do.	5	1941	4.60	102.50	....	....	102.25	95.00

†Latest ask.
‡Quotations for 1930. *For 1931. None recorded in 1932 to date.

Winnipeg Grain Prices

Week to October 18

Crop year from Aug. 14, 1932 High	Low		Open Oct. 12	High for week	Low for week	Close Oct. 18
		Wheat				
.60½	.47½	Oct.	.48¼	.48¾	.48	.48¼
.53⅞	.48⅜	Nov.	.49	.49¼	.48⅞	.48⅞
.61⅞	.50	Dec.	.50½	.50⅜	.50	.50
.66	.54½	May	.55⅜	.55⅜	.54½	.54½
		Oats				
.27⅞	.22⅝	Oct.	.23½	.23½	.22⅞	.22⅞
.27	.21⅜	Dec.	.22⅜	.22⅜	.21⅜	.21⅞
.29½	.25	May	.25⅞	.25⅞	.25	.25½
		Barley				
.35⅞	.23⅞	Oct.	.24⅝	.25⅞	.24½	.25
.35	.25	Dec.	.25⅞	.26⅞	.25½	.25⅞
.38½	.28⅜	May	.29½	.29½	.28⅜	.28⅝
		Flax				
.85	.68	Oct.	.69½	.73½	.69½	.72⅝
.78	.69⅞	Nov.	.71	.74½	.71	.74½
.87	.69½	Dec.	.71½	.75⅝	.71½	.74½
.94	.75	May	.77	.80⅝	.76⅞	.80
		Rye				
.36½	.29	Oct.	....	.29½	.29	.29⅜
.38⅛	.30	Dec.	.31½	.31⅜	.30	.31
.41⅞	.35	May	.36½	.36⅜	.35	.35½

Winnipeg Stock Exchange

(Transactions for week to Oct. 14)

Div. Rate in $	Yield in %		Sales	High for week	Low for week	Close Oct. 14
..	....	Central Manitoba	500	5	5	5
.50	5.5	Imperial Oil	30	9	9	9
..	....	Pelissiers, com.	15	½	½	½
..	....	San Antonio	117	55	55	55
..	....	Sherritt Gordon	200	50	50	50
1.25	10	United Grain Growers	4	12½	12½	12½
..	....	Ventures	200	71	71	71
7	11.5	Western Grocers pfd.	10	61	61	61

Stocks Not Traded in During Week*

	Bid	Ask
Beaver Fire	..	100
Beaver Lumb. pf.	..	80
Can. Fire Ins.	60	68
Can. Nat. Fire	14	..
City Dairy 7% pf.	..	50
City Dairy 8% pf.	..	80
Corporate Steel c.	..	5
Crescent Cream pf	..	70
Great West Life	237	..
Home Invest. & Sav.	25	..
Monarch Life 10% paid	15	..
Pelissiers pref	10	..
Nor. Can. Mtg. pf.	..	15
Reliance Grain pf.	55	..
Sovereign Life 25% paid	10	..
Traders Bldg. Assn	65	..
Western Breweries	1	1½
West. St. Prod., pf.	..	30
Can. Amer. Tr. shs.	..	2⅞
Fundamental Series "A"	..	3¼
Fundamental Series "B"	..	3⅞
Grouped Inc. shs.	..	3.60

*Stocks more active on other exchanges not included.

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Alberta Wood Pres., pfd.	$7	$1.75	Oct. 1	Sept. 20
Bank of Montreal	10%	2½%	Dec. 1	Oct. 31
Bank of Toronto	10%	2½%	Dec. 1	Nov. 15
Beatty Bros., pref.	6%	1½%	Nov. 1	Oct. 15
Borden's c. (No. 91)	$2	50c	Dec. 1	Nov. 15
Belding Cort. c.	7%	1¾%	Nov. 1	Oct. 15
B. C. Telephone 1st pfd.	$6	$1.50	Oct. 1	Sept. 15
Do., 2nd pref.	$6	$1.50	Nov. 1	Oct. 15
Buywell Food Mkts. pfd.	70c	*17½c	Oct. 15	Sept. 30
Can. Industries, c. 'A' & 'B'	$3.50	87½c.	Oct. 31	Sept. 30
Can. Northern Pr.	80c	20c	Oct. 25	Sept. 30
Canadian Bronze	$1.25	31¼c	Nov. 1	Oct. 20
Do., pref.	$7	$1.75	Nov. 1	Oct. 20
Can. Dredge pref.	7%	1¾%	Nov. 1	Oct. 19
Calgary Power pref.	6%	1½%	Nov. 1	Oct. 15
Community Trusts	$2.50	62½c	Oct. 15	Oct. 15
Confederation Invest. pfd.	$3	75c	Nov. 1	Oct. 15
Can. Converters	$2	50c	Nov. 15	Oct. 31
Dominion Bridge	$2	50c	Nov. 15	Oct. 31
Dom.-Scottish Inv. pfd.	$2.50	25c	Nov. 1	Oct. 20
East. Theatres c.	$2	50c	Dec. 1	Oct. 31
Hollinger Gold	65c	5c	Nov. 3	Oct. 20
Humberstone Shoe	$2	50c	Nov. 1	Oct. 15
Inter. Nickel, pref.	7%	1¾%	Nov. 1	Oct. 3
Inter. Utilities, prior pfd.	7%	1¾%	Nov. 1	Oct. 15
Do., pref.	$3.50	87½c	Nov. 1	Oct. 15
Imperial Bank	10%	2½%	Nov. 1	Sept. 30
MacKinnon Steel, pref.	7%	1¾%	Nov. 1	Oct. 22
McIntyre Porc. M.	$1	25c	Dec. 1	Nov. 1
Do., extra	50c	12½c	Dec. 1	Nov. 1
Merland Oil	....	*2½c	Nov. 15	Oct. 31
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Sept. 30
Mortgage Corp. of N. S.	7%	1¾%	Nov. 1	Oct. 24
Neon Prod. of West. Can. pfd.	$3	75c	Nov. 1	Oct. 15
Northern Ont. Power	$2	50c	Oct. 25	Sept. 30
Do., pref.	6%	1½%	Oct. 25	Sept. 30
Penmans	$3	75c	Nov. 15	Nov. 5
Do., pref.	6%	1½%	Nov. 1	Oct. 21
Quebec Power	$1.50	38c	Nov. 15	Oct. 21
Royal Bank	10%	2½%	Dec. 1	Oct. 31
Russell Motor	$1	25c	Nov. 1	Oct. 18
Do., pref.	7%	1¾%	Nov. 1	Oct. 18
Second Std. Royalties pfd.	12%	1%	Nov. 1	Oct. 15
Shawinigan W. & Pr.	50c	12c	Nov. 15	Oct. 21
Do.	...	13c	Feb. 15	Jan. 21
Southern Can. Power c.	$1	25c	Nov. 15	Oct. 31
Steel of Canada	$1.75	43¾c	Nov. 1	Oct. 7
Do., pref.	$1.75	43¾c	Nov. 1	Oct. 7
St. Lawrence Flour	$1.50	37½c	Nov. 1	Oct. 20
Do., pref.	7%	1¾%	Nov. 1	Oct. 20
Simpson, Robt. pfd.	6%	3%	Nov. 1	Oct. 15
Teck-Hughes	60c	15c	Nov. 1	Oct. 15

*Initial.

Dividends Passed or Deferred:

Eastern Dairies, c. Nov. 1, passed. Last paid 25c. Aug. 1, 1932.

Hamilton Bridge, pref. Nov. 1, deferred. Last paid $1.62½ July 15, 1932.

Brazilian Traction, Dec. 1 deferred. Last paid 2% stock dividend Sept. 1, 1932.

Dividend Rate Reduced:

Imperial Bank 2½% Nov. 1. Reduced from 12% to 10% per annum.

Extra Dividends:

McIntyre Porc. Mines, 12½c Dec. 1.

Active Provincial and Municipal Bonds

Quotations furnished by A. E. Ames & Co.,
Canada Permanent Building, Toronto, Ont.
October 18, 1932

	Rate	Actual Maturity	Next Int. Date		
*Alberta	4½	1 Oct., 1958	1 Apr.	90.00	5.20
Alberta	5	1 July, 1943	1 Jan.	95.00	5.61
Alberta	6	1 Mar., 1947	1 Mar.	102.75	5.72
*British Columbia	4½	1 Oct., 1953	1 Apr.	92.50	5.09
*British Columbia	5	15 Jan., 1948	15 July	98.25	5.17
British Columbia	6	15 Feb., 1947	15 Feb.	102.75	5.72
Manitoba	4	1 July, 1947	1 Jan.	83.00	5.70
*Manitoba	5	2 Dec., 1959	2 Dec.	97.25	5.19
Manitoba	6	1 Apr., 1947	1 Apr.	102.75	5.72
*New Brunswick	4	1 June, 1948	1 Dec.	91.65	4.75
*New Brunswick	4½	15 June, 1936	15 Dec.	100.00	4.75
New Brunswick	5½	1 May, 1950	1 Nov.	104.00	5.15
*Nova Scotia	4½	15 Nov., 1948	15 Nov.	97.75	4.69
Nova Scotia	5	1 May, 1943	1 Nov.	101.00	4.88
*Ontario	4½	1 Sep., 1944	1 Mar.	103.25	4.15
Ontario	5	15 Oct., 1948	15 Apr.	102.50	4.78
Ontario	5½	1 Feb., 1947	1 Feb.	105.75	4.94
P. E. I.	4	1 Apr., 1939	1 Apr.	94.50	5.00
P. E. I.	6	1 May, 1947	1 Nov.	108.50	5.18
*Quebec	4½	1 May, 1961	1 Nov.	102.53	4.10
Saskatchewan	4½	1 Oct., 1944	1 Apr.	88.00	5.90
Saskatchewan	5	1 Oct., 1950	1 Apr.	92.00	5.72
Saskatchewan	6	15 Mar., 1952	15 Mar.	101.00	5.91
*Newfoundland	5	31 Dec., 1952	31 Dec.	72.00	7.75
*Newfoundland	5½	1 July, 1939	1 Jan.	76.00	10.40
*Newfoundland	6½	30 June, 1936	30 Dec.	81.00	12.70
Cities					
*Montreal	5	1 Sep., 1963	1 Mar.	104.87	4.70
*Toronto	4½	1 Jan., 1955	1 Dec.	97.24	4.70
*Vancouver	5	15 Jan., 1970	15 July	95.92	5.25
Winnipeg	5	1 Mar., 1944	1 Mar.	93.35	5.80
*Edmonton	5½	1 Apr., 1947	1 Apr.	90.70	6.50
Calgary	5	1 Jan., 1943	1 Jan.	87.50	6.67
Halifax	6	1 July, 1951	1 Jan.	108.95	5.25
Saint John	5	15 Dec., 1950	15 Dec.	97.06	5.25
Regina	4½	1 July, 1950	1 Jan.	76.77	6.75
Victoria	5	21 July, 1945	21 July	91.06	6.00
Quebec	5	1 June, 1948	1 Dec.	100.75	4.93

*Payable in New York.

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INTEREST CHARGES PILE UP BURDENS TAXPAYERS BEAR

Governments Borrow $34 For Every $100 Received in Taxes

Canadian governments on the average during the past 18 years have been spending $134 for every $100 of income, according to W. Sanford Evans, Winnipeg statistician, who has been conducting a series of researches into the cost of government for the Canadian Chamber of Commerce. The difference, says Mr. Evans, has been added to debt.

This average represents also approximately the relative expenditures of the Dominion. Provincial governments have spent $152 for eevry $100 of income. Municipal governments, with their more restricted credit, have not increased debt in the same proportion, having spent $124 for every $100 of income.

These calculations are based on a comparison of total income with increase in gross direct liabilities.

Must Be Repaid

According to Mr. Evans, whose report was issued this week by Col. W. L. McGregor, chairman of the national committee of business on public finance, money borrowed by governments creates a direct charge on income for interest and, moreover, must be repaid. Almost all direct liabilities of governments are for money borrowed for definite terms at stated rates of interest. If provision for repayment out of income is not made, other money must be borrowed to refund. Interest continues a fixed annual charge.

Interest paid in 1930-31 was $121,289,844 or actually appreciably greater than total consolidated fund expenditures for all purposes in 1912-13, of $112,059,537.

Total revenues of the Dominion from all sources were never large enough prior to 1911-12 to have paid the interest bill of 1930-31.

Much Larger Share

In 1930-31 interest payments by the Dominion were over 9½ times as great as in 1912-13. This ratio, of course, reflects an increase in average interest rate, because of heavy borrowings when money was dear, as well as the increase in debt.

In 1930-31 interest payments constituted over 31 per cent of all Consolidated Fund charges, whereas in 1912-13 they were only 11½ per cent of charges one-third as great.

Provinces and municipalities do not segregate all interest charges on their direct liabilities in one account, as does the Dominion, and therefore figures for these governments exactly corresponding to the above cannot be given. Their positions are, however, similar; slightly more extreme in some respects in the case of the provinces and less in 1930-31 would have met all their ordinary expenditures as recently as 1916-17.

What Is Reasonable Term?

If proportionate spending continues, in an easily calculable number of years even present total revenues would not be adequate for interest charges alone.

For repayment of debt, still further real financial obligation exists. Borrowed money must be repaid and repayment should be within the period of effective service of the investment.

On this principle, what is a reasonable term within which existing debts should be liquidated?

They cover objects ranging from funding current deficits, or grading roads, to the defense of national interests in war. Would a fair average of effective service be 20 years, 25 years, 30 years?

If 30 years, then the interest charge of the Dominion for 1930-31 of $121,289,844 should be increased by a little over one-third, or by some $43,000,000 of sinking fund, to represent the real annual charge upon income for service of the debt.

The extent to which the various governments are now meeting sinking fund requirements can be determined only after special enquiry, but it should be realized that proper debt charges against income are much heavier than the figures of interest alone.

All these things necessarily follow from spending $124 to $152 for every $100 of income.

PANICS IMPOSE TEST ON LIFE COMPANIES

(Continued from page 17)

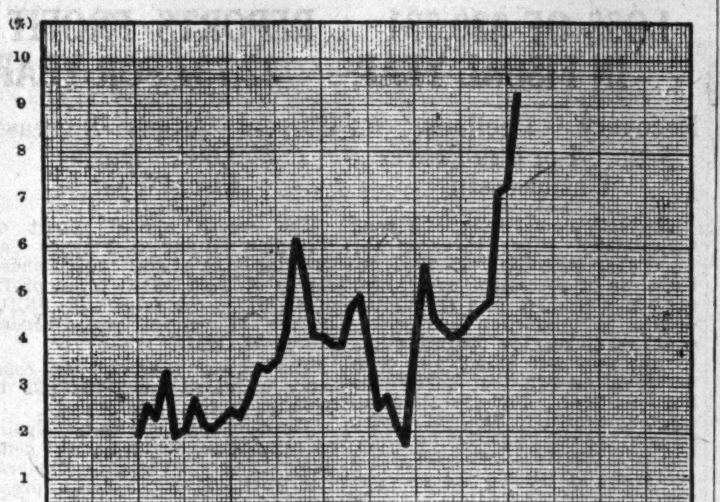
as great in the decade before the war as it was in the decade following. In that event there would have been outstanding a much larger volume of insurance of relatively long duration.

Insurance Yet Young

"Youth is inclined to forget that a time will come when the things that are now so easy to do can no longer be attempted with safety. Life insurance in this country is still in its youth despite the fact that the oldest legal reserve life insurance company offering insurance to the public generally is approaching 90 years of age. The insurance outstanding in 1930 was about $10 billions. Today it is over $100 billions. Some day it will be $200 billions; but we shall have to do some hustling to attain it by 1941 as we fondly hoped in 1929 when at the Life Underwriters Convention in Washington we proclaimed a new era."

"When the $200 billions shall have been achieved, what will be the relation between the accumulated reserve and the cash income remaining out of premium and interest receipts after paying policyholders' claims, expenses and taxes? What proportion of the assets will be invested in relatively liquid securities so as to be available to meet an abnormal demand for cash and loan values? What we have been able to do in our comparative youth in the 1930's we may not be able to repeat in the 1940's or 1950's unless intelligent preparation is made to meet the conditions which may then confront us."

How Depressions Drain Life Insurance Reserves



This chart presented before the Actuarial Society of America meeting at Ottawa last week shows the percentage of cash surrenders and policy loans to life insurance reserves for the 20 largest ordinary life companies operating in New York continuously since 1890. The 1931 ratio shown here soared to 9.3 per cent. It is expected that 1932 will show a ratio of at least 11.5 per cent.

In order to visualize what may possibly take place in the future, Mr. Linton projected the operations of a hypothetical company for 20 years into the future. Normal conditions of earning power and insurance production were assumed and a labyrinth of statistics and results was presented to show under all possible conditions in just what position insurance companies might expect to find themselves, if at the end of the 20-year period they were faced by another abnormal drain on cash surrender values and policy loans.

Drain is 10 to 20 Per Cent

A typical result showed that a drain on assets such as has been experienced in 1932 by most companies by reason of policy loans and surrendered policies, would in 20 years time entail a drawing on accumulated reserves to the extent of nearly 10 per cent. "It would seem not unreasonable," he said, "for a well-established life insurance company to put itself in a position to realize in cash a 3 to 4 year period of anticipated economic stress, 10 or even 15 or even 20 per cent of its assets depending on its own peculiar circumstances."

"In order to throw historical light upon the relation over a number of years of the cash outlay for policy loans and cash surrenders to reserves, a chart has been prepared. It is based upon the aggregate experience of the 20 largest ordinary companies according to insurance now in force, which have been operating continuously in New York since 1890. The three large companies writing industrial insurance are not included. Their ordinary business, including intermediate, is to a large extent produced by industrial agents and has characteristics, especially in connection with cash and loan demands, which differentiate it from the business of companies writing ordinary only. It clearly indicates the new elements that modern cash and loan values provisions have introduced into the business.

"In 1929 the curve skyrocketed to 7.1 per cent. There was a lull in 1930 when the ratio was 7.2 per cent. The financial crisis of 1931 which marked the beginning of the second phase of the present depression brought the percentage to 9.3; and the end is not yet. If the current experience of our own company is a guide, the 1932 percentage will be at least 11.5 per cent.

How to Meet the Test

"Having found a method by which a guess may be made as to the probable cash drain in a depression, how is a company to prepare to meet it? Obviously cash and U. S. Government securities provide one method. Unfortunately they are expensive in that they reduce interest earnings. Investment may be made in a certain proportion of the highest grade bonds maturing each year for a number of years ahead. High grade equipment trust bonds fall in this class and have given an excellent account of themselves in this depression.

"Perhaps in the light of what has happened since October, 1929, a generation or more will elapse before theories that prosperity can last forever are again accepted. There will therefore be more inclination to give serious attention to a study of economic cycles to help approximate periods of stress. Having estimated the approach of such a period, high grade bonds maturing at the proper time may be purchased.

Mortgage Principal Repaid

"Real estate mortgage loans certainly cannot be counted upon to help meet a cash drain. In great depressions real estate becomes frozen and lags in coming back to normal. During good times mortgages provide a relatively high average rate of interest. If the excess is saved against the rainy day the company's foresight is likely to pay big dividends. If the excess is distributed as earned, the consequences may be quite unsatisfactory. In passing it may be mentioned that during this depression there has been a gratifying flow of principal repayments on high grade mortgages. This has helped the cash position, but it is not a factor which should be counted upon in advance.

"Whatever be the method of attaining liquidity it would seem not unreasonable for a well-established life insurance company to put itself in a position to realize in cash over a three or four-year period of anticipated economic stress ten or fifteen or even twenty per cent of its assets, depending upon its own particular circumstances. A careful study of a given company's position by its own actuaries will throw light upon the proper figure to meet its probable requirements."

Assets And Business Analyzed

Reviewing the historical position of the 20 companies whose experience is plotted in the chart, Mr. Linton finds that throughout all the 41 years period covered by his investigations, and despite periodic setbacks in new business, the progress of insurance in force was not halted in its upward march. "The year 1932 may tell another story" he says, "as cancellations have been mounting at a rapid rate at the same item that new business has been declining. If it does, it will be the first decline since the 70's for a large group of comparable companies."

"Throughout the present depression the assets reported by the companies have shown a steady increase. However that increase includes the increase in policy loans which in many companies has been greater than the increase in total assets. In these cases there has been an actual decline in the assets in the other classifications.

"It is interesting that the admitted assets, other than policy loans and premium notes, of the forty companies reporting their assets monthly to the Association of Life Insurance Presidents, increased steadily until the end of last February. Then a halting tendency manifested itself and three of the succeeding six months registered increases and three decreases. At the end of July a net decrease of one-quarter of one per cent had taken place. Adequate cash was of course available to meet this decrease many times over.

Surrender Charges

"The present depression has forced unusual attention upon surrender charges and the classic reasons for making such charges have received renewed consideration under the weight of compelling circumstances.

"The period following the World War witnessed an increase in the rate of acquisition costs and in consequence asset share calculations have tended to show larger deficits for longer periods than used to be the case. When the depression speeded up termination rates, companies began to feel the drain from early year surrenders where surrender charges were inadequate to cover unliquidated acquisition costs. The lesson is being heeded and the tendency is already in the direction of increased surrender charges during the first ten policy years. There is a considerable body of opinion that surrender values tend to be too large even in the later years and we may witness a further tendency to extend the surrender charges to the later policy years where at present the cash value is the full reserve.

"The agency departments of the companies naturally like the sales appeal of the larger surrender values, and already editorial comment in the insurance press has been against the tendency to reduce them. In deciding upon a course of action a mutual company must choose between the classes of its policyholders it will favor. Shall it be the class which has been with the company for a short time only, or shall it be the class of persistent policyholders whose insurance has been in force for a relatively long time? The question involves more than academic considerations. It involves deciding where a substantial cash sum shall be allocated.

"In years of heavy terminations a difference in surrender charges means a substantial sum which if not paid out to withdrawing policyholders is available to maintain dividends or to lessen the effect of a dividend reduction. As between the two groups, do not the persistent policyholders merit the most consideration consistent with justice to those who have to discontinue their premium payments?

Twisting Present Problem

"Problem that is now bothering many executives is that of "twisting" or "substitution of business." More will be said on that subject in connection with heavily loaned insurance. Unduly large cash values in the early policy years increase the difficulties of combating substitutions. They work both ways. On the outgoing policy they provide a substantial fund upon which the hypothetical rate of interest is to be earned and the high cash values of the new policy enable the equity to be built up again with considerable rapidity. Again the higher the cash value the smaller the net amount at risk and the smaller the necessary outlay for the replacement insurance. Proper cash values on the other hand have corresponding effects operating in the direction of conservation.

"Companies which provide unusually high cash values in the early years run the risk of developing a class of agents who became "cash value conscious" in their canvassing methods and thereby direct policyholders' attention unduly to the facilities of the policy which when availed of defeat the larger purposes for which the insurance was taken.

"Again high cash values in the early years make it possible for a policyholder to carry a policy for several years with but little cash outlay, simply by paying the first premium or two and then borrowing the maximum amount each year for a number of years. This is a bad habit for policyholders to develop and in times of stress such as those through which we have been passing, policies that have sustained by this borrowing method experience a highly abnormal rate of termination.

Must Forego Investment Opportunities

"The experience of the last three years has shown how heavy the cash drain can be in a prolonged period of deflation. Companies have not only had to pay more attention to liquidity but they have been forced to forego exceptional opportunities for making exceedingly profitable investments—although if the life insurance companies had had the funds to sustain the market to a greater extent than they did, the opportunities would not have been so pronounced. Even after the turn has occurred there may be borrowing on policies to get into the market, still further curtailing the opportunities for companies to make profitable investments. In any event the presence of guaranteed cash and loan values reduces earnings and solely from that point of view would justify a surrender charge throughout the life of the policy.

"The decision as to what is best must be determined on the basis of broad policy. Is a somewhat lower net cost to be preferred to a higher scale of surrender values? Undoubtedly there is a happy balance. The appeal of life insurance for its clearly demonstrated investment aspects is great, and any move unduly to curtail it is not likely to succeed. Would it not be much better to take carefully planned precaution to meet the cash drain in times of emergency and then to bear the added cost of such procedure? In expressing this point of view I would not discourage adequate surrender charges in the early policy years, say the first ten or fifteen. I am thinking of the later policy years during which the investment aspect of the insurance is most pronounced and the obligation of the company to its policyholders is greatest because of their long connection with the company.

"The depression has resulted in a large increase in the amount of outstanding insurance upon which there are policy loans. In one company of which I have knowledge, tests indicate that about 33 per cent of the outstanding insurance with available loan values is thus encumbered. In another company it is 42 per cent.

Rewrite Policies?

"What the history of such insurance is going to be is giving concern to all life insurance companies. Is it sound policy to adopt a plan of rewriting fully loaned business for the net amount on the same plan without evidence of insurability? When old insurance is replaced by new under this or any other plan what commission should be paid on the new insurance? If a commission adjustment rule is adopted what practicable steps can be taken to prevent nullification by the taking of the business to another company? If the substitution becomes known some time after commission has been paid on the new insurance, what is the practical result of attempting to recall the commission?

"These questions are among the most difficult in the life insurance field today. There is great need for wisdom and clear vision. The situation is going to cost the policyholders money. We must solve the problem of securing a proper balance between the rights of the policyholders and of the field organization.

"Investigations that are being made by individual companies support the theory that as a class new business replacing heavily loaned insurance has a high termination rate. The policyholder has been in financial straits and naturally finds it hard to maintain premium payments on the new insurance. This poor quality is one of the valid reasons for paying less than the regular commissions upon replacement insurance.

"The plans now being tried by some companies involving reduced commissions on replacement insurance will supply valuable information to others who are seeking a proper solution of the problem.

Is 6 per cent Too High

"At times criticism has been directed at the charging of what is felt by some to be the high rate of 6 per cent on policy loans. It is important that the reasons for this charge be made clear. The life insurance reserve is properly an emergency fund and not a source of credit whenever money is needed. The life insurance cash value is not intended to supplant regular credit channels for normal credit needs. Bank loans and real estate mortgages are proper sources of needed capital under normal conditions.

"If the rate of interest on policy loans, guaranteed in the policy at the time of issue, were made low there would be a strong tendency to use the policy loan as a means of raising money that should be supplied by other ogencies. This in turn would enforce a higher degree of liquidity upon the companies, lower their interest rate and raise the cost of insurance to policyholders. It would add a greater element of insecurity by increasing the stress in times of emergency. Six per cent is as low a rate as should be charged if the welfare of the entire body of policyholders is kept clearly in view.

"In concluding this study I would emphasize the importance that each individual company in the light of its own circumstances consider carefully the possible consequences of the cash and loan values in its policies. It is possible that the next prolonged depression will present problems of liquidity that will dwarf those thus far encountered in the present depression. As we stress the investment and emergency cash value appeals in the sale of life insurance we assume an obligation to prepare adequately to meet possible demands in time of stress without endangering the security of the institution. There is no place in the life insurance business for a speculative attitude toward providing in advance against emergencies that can be foreseen."

Mining Stock Quotations

Week Ending October 17

Par Val.	Range High	1932 Low	Company	Sales	Close Oct. 10 (or last)	High for week	Low for week	Close Oct. 17
1	.06	.03	Abana	......	.04½	....	....	....
1	.03	.00½	Aconda	......	.01½	....	....	....
No	.15	.15	Aldermac	......	.15	....	....	....
No	.20	.06	Algoma	241,100	.08½	.08½	.06	.08
1	.09	.00¾	Alexandria	13,500	.02½	.02½	.02	.02½
1	.01½	.00½	Algonquin	1,500	.00½	.00½	.00½	.00½
1	.01½	.00½	Amity C.	500	.01	.00½	.00½	.00½
No	.36	.06	Amulet	7,146	.20	.22	.18½	.22
1	.00½	.00½	Apex	......	.00½	....	....	....
1	.04	.01	Area	8,800	.02½	.03½	.02½	.03½
No	.03½	.00½	Arno	22,400	.02½	.02½	.02	.02½
1	.02½	.02	Astoria Rouyn	......	.02½	....	....	....
1	.07	.02½	Bagamac	3,800	.02½	.03	.03	.03
1	.01½	.00½	Baldwin	1,000	.00½	.01	.01	.01
1	.12	.03	Barry Hollinger	14,900	.04½	.04	.03	.04
No	1.45	.30	Base Metals	500	1.05	1.03	1.00	1.03
No	.12	.01	Bidgood	16,500	.02	.02	.02	.02
1	.21	.04	Big Missouri	10,985	.13	.14	.12	.14
1	.11½	.02	Bobjo	20,600	.09	.09½	.08½	.09½
1	.23	.02½	Brett Trethewey	20,500	.17	.17½	.16	.16
No	.03	.00½	Brownlee	14,200	.01½	.02	.01½	.01½
1	.01	.00½	Buckingham	......	.00½	....	....	....
No	.36	.02	Buffalo Can.	2,000	.02½	.02½	.02½	.02½
No	.04	.01	Bunker Hill	3,000	.02½	.02½	.02½	.02½
5s	1.03	.10	B'Wana McKubwa	......	.80	....	....	....
No	.01	.00½	Cal. Flin Flon	......	.01	....	....	....
No	.04	.02	Canam Metals	500	.02	.02	.02	.02
1	.04	.01½	Can. Kirkland	6,000	.02½	.02½	.01½	.02
1	.09	.00½	Canusa	3,000	.03	.03	.02½	.02½
No	.02½	.00½	Capital Rouyn	7,000	.00½	.00½	.00½	.00½
1	.07	.02½	Cartier Malartic	......	.03	....	....	....
1	.21½	.09	Castle Trethewey	2,100	.16½	.16½	.14	.14
1	.09½	.04	Cen. Manitoba	500	.05	.05	.05	.05
1	.16	.02	Cen. Patricia	3,475	.13½	.14	.13	.13
No	.07½	.01½	Chibougamau Pros.	......	.04	....	....	....
No	.02	.00½	Clericy	19,500	.01½	.01½	.01	.01
5	5.00	.45	Coast Copper	275	2.60	3.25	2.60	3.25
1	.02½	.00½	Cobalt Contact	3,000	.01½	.01½	.01½	.01½
No	.16	.15	Cobue	......	.15½	....	....	....
1	.11½	.03	Columario	41,100	.11½	.11	.07	.09
5	1.10	.69	Coniagas	200	1.05	1.00	1.00	1.00
No	.50	.23	Coniaurum	700	.28	.25	.23	.23
25	102.00	25.00	Cons. Smelters	3,957	72.00	70.00	65.50	68.00
No	13.25	9.00	Dome Mines	2,865	12.00	12.25	11.75	12.10
No	.10	.02	Dom. Explorers	12,800	.04½	.04½	.04	.04½
	.00½	.00½	Dominion Kirk	......	.00½	....	....	....
1	.04	.00½	Don. Rouyn	2500	.03	.02½	.01½	.01½
	.04	.03	Duparquet	......	.03	....	....	....
1	1.60	.76	Eldorado	10,085	1.28	1.39	1.24	1.30
No	2.40	.47	Falconbridge	6,175	1.80	1.98	1.75	1.92
1	.04	.00½	Federal	21,500	.01	.01½	.01	.01½
No	.00½	.00½	Flintoba	......	.00½	....	....	....
No	.07	.00½	Gem. Lake	......	.01½	....	....	....
1	.03	.00½	Goldale	4,000	.01½	.01½	.01½	.01½
10	.24	.05½	Goldfield	......	.22	....	....	....
1	.00½	.00½	Gold Hill	......	.00½	....	....	....
1	.04	.02½	Goodfish	15,000	.03	.03½	.03	.03
1	.03½	.00½	Graham	......	.01¾	....	....	....
1	1.25	.50	Granada	6,875	.70	.75	.66	.69½
1	.22	.06	Grozelle	4,500	.07	.08	.08	.08
1	.03½	.01	Harker	5,600	.02½	.01½	.01½	.01½
1	.01½	.00½	Hilltop	21,000	.00½	.01	.00½	.00½
5	5.80	4.25	Hollinger	4,225	5.10	5.20	5.00	5.10
1	.72	.26	Howey Gold	12,400	.55	.60	.55	.57
No	5.30	.92	Hudson Bay	2,975	3.40	3.35	3.10	3.10
No	.20	.13	Huronian	......	.13	....	....	....
No	13.50	4.00	Int. Nickel	33,079	8.75	9.75	8.25	8.75
1	.01¾	.00½	Jackson Manion	3,000	.01	.01	.00½	.01
1	.25	.20	Keeley	500	.22	.22	.22	.22
1	.02½	.00½	Keora Mines	4,500	.01	.01½	.01	.01
1	.70	.40	Kirk. Hud. Bay	1,000	.52	.45	.45	.45
1	.02½	.00½	Kirk. Hunton	......	.00¾	....	....	....
1	.55	.19	Kirkland Lake	21,150	.28	.32	.29	.31
1	.03½	.00½	Kirkland Premier	3,000	.02	.02	.01½	.01½
1	.15½	.05	Kirk. Townsite	38,300	.08	.15½	.09	.13½
20c	.01½	.00½	Koot. Florence	5,000	.00½	.01	.01	.01
1	.01½	.00½	La Rose	......	.01½	....	....	....
1	.41	.14	Lakeland	100	.25	.15	.15	.15
1	30.25	24.90	Lake Shore	1,825	29.50	29.50	29.05	29.20
1	.00½	.00½	Laval	......	.00½	....	....	....
1	.07	.01½	Lebel Oro	......	.01½	....	....	....
1	.41	.13	Macassa	7,000	.19½	.19	.18	.18½
1	.07	.02½	Malartic	3,000	.03½	.03½	.03½	.03½
1	.04	.00½	Malrobic	37,500	.03	.02½	.02½	.02½
No	.08	.02	Mandy	......	.07	....	....	....
No	.02	.00½	Manitoba Basin	20,000	.01	.01½	.01	.01½
5	21.35	14.70	McIntyre	1,198	18.25	18.35	17.75	18.00
1	.35	.25	McKinley	317	.30	.30	.30	.30
No	.09½	.02½	McLeod River	67,000	.05	.05	.03½	.04
No	1.85	.58	Mining Corp.	3,250	1.35	1.38	1.30	1.37
1	.08½	.01½	Moffatt Hall	17,000	.02½	.03	.02½	.02½
1	.02½	.02	Moneta	......	.02	....	....	....
1	.45	.19½	Moss	41,150	.26	.28	.26	.28
1	.02½	.00½	Murphy	1,000	.01	.00¾	.00¾	.00¾
No	.06½	.01	Newbec	10,300	.06	.05	.04½	.05
5	1.48	.50	Nipissing	800	1.10	1.10	1.05	1.05
No	23.25	12.50	Noranda	13,685	19.00	19.50	18.25	18.95
No	.36	.10	Nor. Canada	9,200	.33	.36	.34	.36
No	.01	.00½	Old Colony	1,000	.00½	.00½	.00½	.00½
1	.09	.05	Osisko	......	.07	....	....	....
1	.17	.07	Parkhill	......	.13½	....	....	....
1	.13½	.11	Patricia Dent	......	.13	....	....	....
1	.02	.01	Pawnee Kirk	1,500	.01½	.01½	.01½	.01½
No	1.25	.35	Pend Oreille	700	.90	.85	.80	.80
1	.01½	.00½	Peterson Cobalt	......	.00½	....	....	....
1	4.70	.300	Pioneer Gold B.C.	7,225	4.35	4.70	4.20	4.40
1	.00½	.00½	Porcupine Crown	......	.00½	....	....	....
1	.02	.00½	Potter Doal	......	.01	....	....	....
1	.12	.12	Powell Rouyn	......	.12	....	....	....
1	.75	.32	Premier Gold	2,700	.58	.61	.57	.60
1	.00¾	.00½	Preston E. Dome	......	.00¾	....	....	....
No	.30	.15	Prospectors Air's.	500	.18	.21	.21	.21
No	1.00	.100	Quebec Pros.	......	1.00	....	....	....
No	.10	.03	Quemont	800	.05	.08	.08	.08
1	.02½	.00½	Ribago	15,000	.00¾	.01	.00½	.00¾
1	.02½	.01	Ritchie	1,000	.01½	.01	.01	.01
1	.02½	.00½	Robb Montbray	5,500	.01½	.02½	.01½	.01½
1	.70	.25	San Antonio	8,195	.60	.62	.55	.60
1	.09	.07½	Seven Troughs	......	.07½	....	....	....
1	.77	.18	Sherritt Gordon	29,364	.52	.53	.49	.49
1	1.00	.50	Siscoe	48,895	.70	.81½	.70	.81½
1	.06½	.00½	South Keora	7,500	.04	.05	.04½	.04½
No	.02½	.00½	Stadacona	24,000	.02	.02	.01½	.01½
1	.17	.05	St. Anthony	2,500	.06	.07	.06	.06
No	.90	.16	Sudbury Basin	3'483	.60	.62	.60	.60
1	.02½	.00½	Sudbury Contact	......	.02½	....	....	....
1	.01	.00½	Sudbury Mines	......	.00½	....	....	....
1	.22	.07	Sullivan	600	.12	.14	.14	.14
1	.87	.39	Sylvanite	10,900	.65	.67	.64	.65
1	.07	.01	Tashota	20,700	.02½	.02½	.02	.02½
1	5.25	3.10	Teck Hughes	35,310	3.32	3.50	3.25	3.25
1	.07½	.02	Thom Cadillac	5,000	.04	.03	.03	.03
1	.40	.10	Towagmac	500	.21	.20	.20	.20
1	3.00	1.01	Treadwell	500	1.25	1.70	1.50	1.65
1	.09½	.02	United Kirkland	1,000	.05	.05½	.05	.05½
1	.10½	.00½	Vacuum Gas	81,750	.07½	.10½	.07	.10
No	1.10	.16	Ventures	34,830	.69	.74	.65	.71
1	.18	.04	Vickers	1,000	.13	.15	.15	.15
1	.45	.20	Vipond	1,350	.24	.24	.22	.22
No	1.01	.25	Waite Ackerman	200	.50	.50	.50	.50
1	.08	.01	White Lake	......	.04½	....	....	....
1	.01	.01	Wiltsey Coughlan	......	.01	....	....	....
	.10	.04½	Wood Kirkland	......	.06	....	....	....
No	3.15	2.09	Wright-Hargreaves	12,720	2.80	2.87	2.78	2.82
			OIL STOCKS					
No	.19	.07½	Acme Gas & Oil	37,100	.12	.13	.11	.13
1	1.17	.60	Ajax	21,800	.70	.92	.64	.80
1	.18	.04½	Alta. Pacific	......	.12	....	....	....
1	.03½	.02	Askalta	......	.03½	....	....	....
No	.20	.02	Associated	5,200	.07½	.10	.07½	.10
No	.09	.01	Baltac	3,500	.02½	.05	.02	.02½
	.05½	.00½	Benton	......	.00½	....	....	....
1	.05	.02½	Brit. Dominion	......	.03½	....	....	....
No	.60	.14	Calgary & Ed.	500	.40	.40	.40	.40
1	.15	.04	Calmont	......	.06	....	....	....
1	.14	.03	Common. Pete	......	.07	....	....	....
No	.40	.05½	Dalhousie	1,235	.21	.20	.20	.20
No	.01	.01	Devenish	......	.01	....	....	....
No	.02	.00½	Dome Oil	......	.00½	....	....	....
No	.16	.04	East Crest	200	.10	.10	.10	.10
No	.01½	.01½	Fabyan Pete	......	.01½	....	....	....
No	.25	.05	Foothills	......	.15	....	....	....
No	.03½	.02	Freehold	......	.02	....	....	....
1	.02	.00½	Great West	......	.00½	....	....	....
No	.06½	.03	Hargal	......	.03	....	....	....
No	.05	.02	High Sarcee	......	.02	....	....	....
No	.85	.15	Home	1,300	.47	.47½	.47½	.47½
No	.05	.01½	Homestead	......	.01½	....	....	....
1	.50	.09	Homest'd O. & G.	146,500	.31½	.35½	.28	.31
1	.01	.00½	Illinois Alberta	......	.00½	....	....	....
No	.02½	.00½	Lethbridge	......	.00½	....	....	....
No	.10	.04	Lowery	......	.10	....	....	....
No	.02	.00½	Madison	......	.00½	....	....	....
1	.32	.05½	Mayland	1,000	.24	.16½	.16½	.16½
No	.04	.01½	McD. Segur Ex.	......	.01½	....	....	....
1	.04½	.01	McD. Segur N.	......	.01	....	....	....
1	.50	.18	McLeod	......	.18	....	....	....
No	.10½	.06½	Mercury	......	.07½	....	....	....
No	.22	.04½	Merland	4,025	.20	.20	.19	.20
No	.15	.08½	Mil. City Pete	......	.08½	....	....	....
1	.20	.12½	Model	......	.13	....	....	....
1	.05	.04	Monalta	......	.05	....	....	....
1	.07	.03	Moose Mountain	......	.03	....	....	....
1	.01	.01	New Federal	......	.01	....	....	....
5	.14	.01	Nordon	8,400	.10½	.10½	.09	.09
No	.06	.02	Oil Selection	9,500	.03½	.03½	.03½	.03½
No	.05	.02½	Okalta	......	.03	....	....	....
100	15.00	15.00	Do., Pref	......	15.00	....	....	....
No	.32	.09	Olga Gas & Oil	6,500	.13½	.16	.14	.16
No	.20	.02	Penn. Pete	142,500	.11	.13½	.10½	.13½
No	20.00	20.00	Perfection Pete. Pfd.	......	20.00	....	....	....
1	.28	.12	Petrol Oil & Gas	......	.14½	....	....	....
No	.14	.08	Ranchmen's	......	.09	....	....	....
1	.01	.00½	Regent	......	.00½	....	....	....
No	.02½	.01	Richfield	......	.01	....	....	....
No	9.85	3.95	Royalite	......	8.00	....	....	....
1	.29½	.05	Sarnia Oil	23,300	.15	.20	.12	.20
1	.03	.01	Signal Hill	......	.01	....	....	....
No	.12	.05	South West Pete	1,200	.05	.05	.05	.05
1	.20	.10	Spooner	......	.15	....	....	....
No	.21	.05½	Sterling Pacific	500	.15	.14	.14	.14
1	.11	.07½	Turner Valley	......	.07½	....	....	....
No	.08	.03	United	......	.03	....	....	....
1	.09½	.03	Vulcan	......	.03	....	....	....
No	.02½	.00½	Wainwell	......	.01½	....	....	....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to October 12)					
25c	.00½	.00½	Bayview	......	.00½	....	....	....
20c	.05½	.03½	Beaver Silver	22,000	.03½	.04	.03½	.04
25c	.04	.01	Bluebird	......	.04	....	....	....
No	.81	.50	Balorne	2'890	.52	.65	.50	.60
1	.12	.04	Bridge River Cons.	21,800	.05	.06	.05	.06
25c	.01½	.01	Cork Province	5,500	.01	.01	.01	.01
1	.13	.02	Cotton Belt	......	.03	....	....	....
	.01½	.01½	Dalhousie Mines	......	.01½	....	....	....
1	1.00	.15	George Copper	800	.62	.60	.50	.50
50c	.02	.01	Geo. Enterprise	......	.01	....	....	....
1	.05	.02	Georgia River	152,850	.04	.05	.03½	.04
1	.35	.10	Golconda	200	.19	.18	.18	.18
50c	.08	.02	Grandview	250	.04½	.05	.05	.05
1	.01	.00½	Independence	......	.00½	....	....	....
1	.01½	.01	Indian Mines	......	.01	....	....	....
1	.13	.08	Inter. Coal	100	.13	.12	.12	.12
1	.21	.21	Jack Waite	......	.21	....	....	....
25c	.00½	.00½	Kootenay King	......	.00½	....	....	....
10c	.04	.01	Lucky Jim	......	.03½	....	....	....
5c	.12	.04	Metaline Metals	......	.06½	....	....	....
1	.03	.00½	Morton Woolsey	......	.01	....	....	....
50c	.03½	.00½	National Silver	44'000	.02½	.02½	.02	.02
50c	.08½	.02	Noble Five	5,000	.04	.04	.04	.04
50c	.01	.00½	Oregon Copper	......	.00¾	....	....	....
1	4.60	3.00	Pioneer Gold	6,600	3.95	4.60	3.95	4.60
0	.08½	.02	Porter Idaho	5,500	.06½	.06	.05	.05
No	.01	.00½	Premier Border	1,000	.00½	.00½	.00½	.00½
No	.35	.07½	Reeves McDonald	50	.21	.20	.20	.20
1	.60	.21½	Reno Gold	32,450	.55	.58	.54	.58
1	.02½	.01	Rufus Argenta	......	.01¾	....	....	....
1	.05	.02½	Ruth Hope	......	.03½	....	....	....
1	.05	.02½	Silverado	......	.05	....	....	....
25c	.02½	.01	Silver Crest	......	.01½	....	....	....
50c	.02½	.00½	Snowflake	8,000	.01	.01	.01	.01
1	.79	.60	Sunloch	......	.75	....	....	....
20c	.02½	.01	Wellington	......	.02	....	....	....
1	.06½	.00½	Whitewater	......	.05	....	....	....

DIVIDEND PAYERS

	Rate	Yield %		Rate	Yield %
Ajax Oil	12c.	....	Petrol Oil	1c.	....
Coniaurum	3c.	....	Premier	12c.	20.00
Dome Mines	$1+10c.	9.09	Pioneer, B.C.	12c.	2.72
Hollinger	65c.	12.74	Royalite	50c.	....
Howe Sound	40c.	....	Siscoe	4c.	....
Lake Shore	$2+50c.	8.56	Sterling Pac. Oil	2½c.	....
McIntyre	$1.50	8.33	Sylvanite	4+½c.	6.92
McLeod Oils	5c.	....	Teck Hughes	60c.	18.46
Merland Oil	2½c.	....	Wright-Har.	10+2½c.	4.43
Noranda	50c.	2.63			

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Canadian Mining News

GRANADA GOLD EARNS $19,699 IN FISCAL YEAR

Total Recovery Up, Grade Down — Lowest Level Best in Mine

The first financial statement by the Granada Gold Mines, covering the period from July 7, 1931, the date of incorporation of the present company, to June 30, 1932, shows a net profit of $19,699, equivalent to approximately two cents per share on the 879,358 shares of $1 par value outstanding. Bullion production amounted to $265,996 or an average recovery of approximately $8.65 per ton. Exchange compensation on production amounted to $26,920.

The value of the bullion produced in the fiscal year under review is substantially higher than in the previous fiscal year, the initial year of operation, but the recovery per ton is somewhat lower than in the first year. This is explained as due to the extensive development work under way, which included sinking the No. 1 winze from the 625 ft. horizon to a current depth of 1,320 ft. The total development work done in the past fiscal year was 2,785 ft., including 556 ft. of raising, 110 ft. of crosscutting and 1,599 ft. of drifting.

Following is an income and surplus account for the period under review:

Income & Surplus Account
From July 7, 1931 to June 30, 1932

Bullion produced	$265,996
Miscel. income:	
Premium	26,920
Int. & dis.	1,341
Rent	318
Total income	294,575
Less expense:	
Marketing	2,292
Mining & devel.	173,483
Milling	31,041
Gen. expense	11,955
Mine adminis.	8,368
Head office adminis.	18,565
Taxes and miscel.	8,392
Operating earnings	40,479
Depreciation	20,780
Net profit	$19,699
Earnings per share	$0.02

The balance sheet as at June 30, 1931, shows a working capital of $33,403. During the past year the company has had under way an extensive development programme, which in addition to mill rehabilitation involved a large capital expenditure. The mill capacity was increased from approximately 50 tons daily to 100 tons early this spring, which also involved a complete changeover of electrical equipment to accommodate electric power now purchased from the Canada Northern Power Corp. A new compressor, a new electric driven hoist, as well as mill equipment was added to accommodate the increased production.

Working Capital
As at June 30, 1932

Current assets	$71,215
Current liabilities	37,812
Working capital	$33,403

In the past the principal production has come from the 625 ft. horizon, but officials state the 1,075 ft. or presently the lowest level developed, is the best looking section in the mine, with over 900 ft. of the drifting in ore. Section "A" in the west shows a better grade and width than any place in the mine, while values, widths and lengths of ore exceed any levels above. A station is being cut at the 1,225 ft. level, which will be the next horizon to be developed.

Claims Staked at Gods Lake

W. A. Gamble, vice-president of the company, has just returned from Gods Lake in Northern Manitoba where he staked 36 claims on behalf of the company on Elk Island, adjacent to the original find of Bobjo Mines.

The following tabulation gives the production since the commencement of operations.

Production Summary
(Fiscal Years Ended June 30)

Year	Tonnage treated	Daily aver. tons milled	Recovery per ton $	*Value $
1931	17,797	49	13.10	233,884
1932	30,760	85	8.65	265,996
				499,880

*Exclusive of premium.

London Interests Finance Stadacona-Rouyn Mines

Stadacona-Rouyn Mines has announced that a group of London, England, capitalists have been enlisted to render financial assistance to the company through the efforts of Dr. L. J. Lemieux, agent general for the Province of Quebec in London. These interests have delegated John Hansen to report on the company's property, about one-and-a-half miles south of Noranda Mines, and it is understood he is favorably impressed with the physical condition and possibilities of the property.

Previous development work included sinking a shaft to the 300 ft. horizon and diamond drilling to a depth of 1,000 ft., indicating gold ore averaging $9.45 per ton in gold.

The company has had a financial struggle and in July, 1931, increased its capitalization through a reorganization, offering new shares to existing shareholders. This did not meet a favorable response and in February, 1932, an option was given on 1,000,000 treasury shares to net the company 30 cents per share. This arrangement, likewise, did not materialize in the manner anticipated, which necessitated further financial assistance being enlisted.

Gem Lake Mines Ordered Liquidated

A liquidation order has been granted by Chief Justice D. A. MacDonald, of Winnipeg, for the winding up of the affairs of Gem Lake Mines. The order was granted on the application of R. W. B. Swail, representing creditors and W. S. Newton & Co., were appointed provisional liquidators.

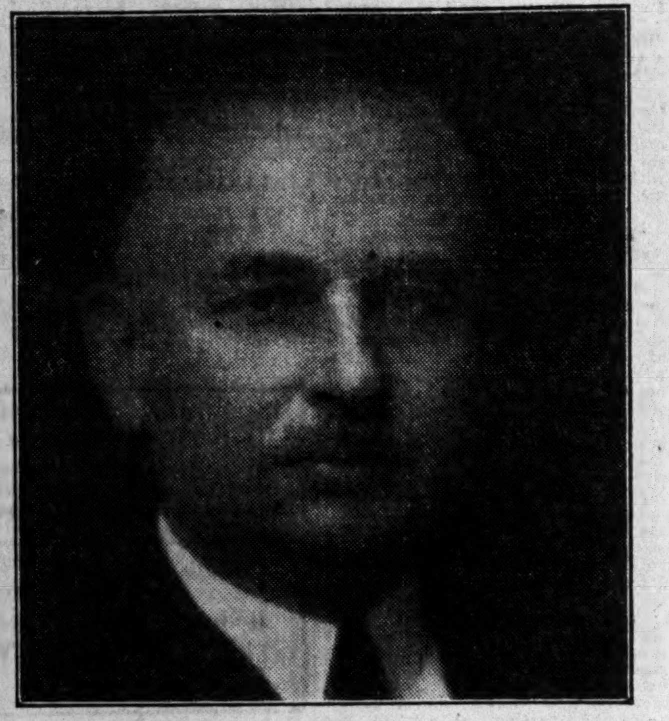
Gem Lake Mines was incorporated in 1928 to finance the development of an interesting gold prospect in the Central Manitoba gold area adjacent to the Manitoba-Ontario boundary. Development was carried to a depth of 750 ft., and last November a 10-ton test mill was installed to bulk sample the ore with the hopes that recovery would pay off the creditors. In December last two bricks valued at $850 each were shipped.

The company has had a financial struggle since its inception and the last report showed 3,169,286 shares, out of the 4,500,000 shares authorized, as outstanding.

Halifax Harbor Tonnage Gains

Tonnage handled over Halifax Harbor Commissioners' piers during the nine months ended September 30 increased by 6,684.8 tons, as compared with the same period in 1931, the Commissioners announce. Inward and outward, 499,391.7 tons have been handled since the first of the year.

Mining Personages in Canada



DAVID LAW HODGES FORBES, M.E., D.Eng.
President and general manager of Teck-Hughes Gold Mining Co. Ltd.

D. L. H. Forbes Discoverer of Teck Hughes Gold Mines

His Self-Isolation Has Detracted from a Greater Appreciation of His Genius

The popular impression exists that gold mines are usually found through some freak of fortune such as, for example, when that picturesque figure, the prospector, kicks the moss from some protruding rock to find it glistening with gold. All mining is indebted to this hardy pioneer, but while his strike is the first step toward making a mine it is for those who follow to determine if the strike has mine-making possibilities. A prospector may find a mining prospect but it is the mine manager and his associates who make a mine.

Teck-Hughes Gold Mines was staked in 1912, but due to the peculiarities of ore occurrence its mine-making possibilities looked hopeless and in 1917 an engineer was employed to take charge with instructions to close down the property. Instead of interring the remains of what had been a mining hope, this engineer threw himself heart and soul into the venture of making a mine and to him should go the credit for the property which, since 1917, has produced close to $35,000,000 in gold and paid close to $15,000,000 in dividends.

D. L. H. Forbes, now president and general manager of Teck-Hughes Gold Mines, is the engineer responsible for turning what at first appeared to be a white elephant into one of Canada's most prosperous gold mines. That achievement is the result of his persistence and ability.

Hailed From the Highlands

Like so many Canadian engineers, Mr. Forbes hails from the Highlands of Scotland and possesses all the dourness of the race. He is an individualist who has no time or concern for other than cold facts and for making a success of his undertakings. His struggle to make a mine of Teck-Hughes was pursued with a singleness of purpose that more or less isolated him from ordinary contacts. His services received signal recognition, however, a few months ago when he was made president of his company, and for the first time since 1917 his new position removes him from the practical environment of mine-making to an environment of cosmopolitan city life where he comes in contact with thousands of shareholders who look to him to make their investments as remunerative as possible. He is adapting himself to his new responsibilities with the same enthusiasm and confidence that has characterized his whole professional career.

Mr. Forbes graduated from the school of applied science in 1902 and from the University of Toronto in 1913 with an M.E. degree. Following his scholastic career he became associated with the iron mining operations of the Mesaba range in Minnesota where steam shovels were employed for mining operations. From the Mesaba range he went to the steam shovel operations of the Arizona Copper Co., and later as construction engineer with the Esperanza Mining Co. in Mexico. From 1910 to 1914 he resided in Canada practising his profession as a consulting engineer and as a director of the Trethewey Silver Mines. During that time he received his M.E. degree. In 1914 he again entered construction work as mechanical engineer in charge of work at the Chile Copper Co.

Reverts to Get New Start

After successfully climbing the ladder to a responsible position with the Arizona Copper Co., he reverted in rank in Mexico, taking a position on the draughting board in order to get established in gold mining operations.

His early associations with mechanical engineering in mining work proved invaluable at Teck-Hughes. Here his ability as a mechanical engineer played an important part in the success that attended the physical operations of mining and milling ore, which resulted in this property having the distinction of being the lowest cost producer per ounce of gold in the world.

In 1927 his Alma Mater recognized his achievements at Kirkland Lake by conferring upon him the honorary degree of Doctor of Engineering.

For the past 15 years Kirkland Lake, the site of his latest mining endeavors, has been his home, but a couple of months ago his new position necessitated his moving to Toronto that he might better direct the enterprise that he has made possible.

AIRPLANES BID FOR TRANSPORTING GOLD FROM MINES

Complications Offer Problems to Acceptance of Lower Rate

The influence of airplane transportation as a competitor of express companies was recently demonstrated when an air transport company made overtures to the Ontario Mining Association to transport gold from mine to mint at a substantial reduction from that currently charged by express companies.

Ontario gold until about a year ago was largely shipped to New York for marketing, which involved an express charge of $3 per $1,000 in gold transported. With the inauguration of exchange on United States funds, following Great Britain going off the gold standard the Royal Mint at Ottawa undertook to purchase all Canadian gold paying, in addition to the prevailing price of $20.67 per ounce, exchange compensation equivalent to the rate of U. S. exchange prevailing, but deducting the difference in express charges involved by shipment to New York.

Rate $3 Per $1,000 to N. Y.

The express rate from Porcupine to Ottawa is $2.10 per $1,000 and from Kirkland lake $1.80 per $1,000. In connection with this rate it is interesting to know that only 5 cents of this amount accrues to the railway company for haulage, the balance going to the express company. This is because of the arrangements between express companies and the railway companies whereby the express companies pay the railway companies by weight on the basis of charges for freight.

The new offer for reduced transportation by airplane brought up an interesting question at Ottawa that has not yet been decided. And it is a conjecture whether the potential saving, if the new mode of transportation is adopted, will accrue to these producers owing to the fact that airplane transportation cannot offer a rate for transportation to New York owing to the embargo on gold. Express companies are not disposed to lower the express charges as they claim the benefit would not accrue to the producers, but only to the government and thus a transportation triangle has been set up that is not yet solved.

Expect Teck-Hughes To Earn 78c Share

Net profits by Teck-Hughes Gold Mines, for the fiscal year ended August 3 last, are expected to be shown in the forthcoming annual report as close to $3,750,000 or about 78 cents per share, the best year in its history.

The gold production according to the Ontario Mines Department reports is about $6,000,000 while exchange compensations about $750,000.

The report usually appears early in November with the annual meeting about ten days later.

McConnell Ck. Investigated By B.C. Mines Department

The British Columbia Department of Mines has seen fit to issue a special report on the McConnell Creek placer area in the Omineca mining division of B. C., branding it as unworthy of any large capital outlay and stating that the story told of coarse gold having been found on bed rock by the Brown party is entirely devoid of truth.

In 1899 P. Jenson discovered placer gold on the creek which subsequently led to a rush. Excitement of the early days subsided rapidly and last spring statements circulated of new finds started another rush.

In its characteristic manner the B. C. Department of Mines followed up the report through its resident engineer, Douglas Lay and the interim report just issued gives a comprehensive review of operations.

VIPOND REPORTS LOSS OF $20,331 IN FISCAL YEAR

Recovery Declines as Search For Ore Proves Unsuccessful

The tenth annual report of Vipond Consolidated Mines covering the fiscal year ended July 31, 1932, reflects an unsuccessful search for ore which resulted in a substantial decline in production and consequent earnings. The operating loss for the year was $115,226 as compared with a profit of $93,536 the previous year. Non-operating income amounted to $117,662, which reduced the net loss after depreciation to $20,321 as compared with a net profit of $61,004 the previous year.

The following is a comparative income and surplus account statement for the last two years.

Income & Surplus Account
Years Ended July 31

	1932 $	1931 $
Bullion	478,022	712,856
Less Oper. Exp.:		
Develop.	136,520	199,494
Mining	258,537	189,170
Milling	111,989	131,315
Mkt. bullion	3,507	4,907
Admin. & gen. exp.	58,176	68,166
Ins. & taxes	24,519	26,268
Oper. loss	115,226	*93,536
Non-oper. inc.:		
Int. & divid.	48,820	40,362
Premium	59,988	....
Profit on sec.	8,854	2,088
Oper. profit	2,436	135,986
Less reserves:		
Deprec.	22,757	66,168
Inc. taxes	....	8,814
Net loss	20,321	*61,004
Previous surp.	720,752	660,207
Add: Adjust.	2,956	....
Less: Adjust.	....	459
Bal. forward	703,387	720,752

*Profit.

Development work during the year was centred on the search for extensions of the Porcupine Crown vein and associated ore bodies on and below the 1,000 ft. horizons; an investigation of the No. 9 vein system at the 1,450 ft. horizon and a search for extensions of the 5-8 vein system south of the former workings the 500 and the 733 ft. level. The result of this work was summed up by Robt. E. Dye, mine manager, as follows:

"Ore resulting from the development work during the past two years has fallen short of meeting mill requirements. Formal ore reserves have been depleted to such an extent that the bulk of the present ore supply is coming from prospect stopes, raises and salvage operations, all of which are becoming increasingly expensive."

The following is a tabulation of production since commencement of operations.

Years end. July 31

Year	Tons Milled	Rec. per ton $	Total Recov. $
1924	29,783	12.73	379,075
1925	60,344	9.66	582,925
1926	64,522	8.77	565,995
1927	95,799	7.36	704,900
1928	86,727	7.46	646,896
1929	100,540	7.93	797,114
1930	113,329	7.91	896,397
1931	107,290	6.65	712,856
1932	102,000	4.69	478,022

In addition to the above there was a production between 1911 and 1918, by the predecessor companies totalling $808,424. The Porcupine Crown section now forming part of the company's property, had a production between 1915 and 1921 valued at $2,871,816.

Quarterly Production 1932:—

	3rd. quar.	2nd. quar.
Tons milled	27,096	26,778
Total recov. $	103,157	123,400
Recov. per ton $	3.81	4.61
Tons daily	294	288

The liquid position of the company remains strong as compared with the magnitude of the operations, with a net working capital of $827,085. In addition the company owns 300,000 shares in the controlling company, The Huronian Mining & Finance Co.

The following is a comparative statement of assets and liabilities for the past two years:

Working Capital
As at July 31

	1932 $	1931 $
Current assets	870,275	903,171
Current liabilities	43,190	48,931
Working capital	827,085	854,240

Keeley Silver Profit $2,110 in Fiscal Year

The tenth annual report of the Keeley Silver Mines, covering the fiscal year ended February 29, 1932, deals with a period when the known ore was removed from the company's property at South Lorrain, Ont., resulting in operations being suspended in October, 1931. From this final production an operating profit of $8,028 was made as compared with an operating profit of $113,335 in the previous year. In the report under review the profit on investments sold amounted to $4,083, making a total profit of $12,111. After transferring $10,000 to reserve for contingencies, the net profit was $2,110.

In the fiscal year, before operations were suspended, 104,809 oz. of silver and 165,642 pounds of cobalt were produced, bringing the total production of the property from the commencement of operations to 12,182,952 oz. of silver and 1,562,381 pounds of cobalt. Dividends distributed between 1923 and 1928 amounted to $2,240,000.

The balance sheet as at February 29, 1932, showed current assets of $857,825 and current liabilities of $17,638. The value of mining shares held were shown at cost, or $511,031, while the market price was shown at $440,600. In addition, the company holds 550,000 shares in the controlling company, the Huronian Mining & Finance Co.

The annual meeting is called for November 21, in Toronto.

Canadian Lorrain Mines Is Being Liquidated

Shareholders of Canadian Lorrain Silver Mines are in receipt of a notice of a general meeting called for November 21 for the purpose of receiving the report of the liquidator and to wind up the affairs of the company.

Receipts from the sale of machinery, supplies and cash on hand total $11,112. Disbursements amounted to $5,221. From this residue $3,500 has been paid to the Huronian Mining & Finance Co. on account of notes owing, leaving $2,391 on hand as at September 30.

Practically all the saleable equipment at the company's property in South Lorrain has been sold.

Merland Oil Meeting Further Adjourned

The adjourned meeting of Merland Oil Co. shareholders called for October 15, was further adjourned to permit scrutineers completing the count of the ballots for the election of the board of directors. The annual meeting on October 11 was marked by a fight for control by two groups making necessary a check-up on the registered shareholders.

HURONIAN MINING REPORTS PROFIT $2,737 FOR YEAR

Current Assets Increase $59,506 During Fiscal Year

The second annual report of Huronian Mining & Finance Co., covering the fiscal year ended March 31, 1932, shows a net profit of $2,737 as compared with $5,318 in the 17 months period ended March 31, 1931.

The current assets of the company increased from $843,692 to $903,198 in the same period.

The company operates principally as a holding and investment company doing some mining exploration work. R. Home Smith, president of the company, referred in the report to the exploration effort being conducted in various parts of Ontario and Quebec but said none showed sufficient merit to justify the company becoming financially interested.

The following is a comparative income and surplus account.

Income & Surplus Acct.
Year Ended Mar. 31

	1932 $	1931* $
Revenue:		
Int. earn., less pd.	5,276	17,287
Divid. inc.	30,168	26,359
Profit on invest	8,836	14,587
	44,280	58,233
Expenses:		
Executive exps.	41,957	67,623
Postage and tel.	1,549	2,708
Travelling exps.	2,516	3,168
Transfer exps.	15,333	15,411
Miscel. exps.	....	6,446
	61,355	95,356
Less chgs. to assoc. cos.	33,096	45,992
	28,259	49,364
Less: Res. for deprec.	353	353
Claims & exams, written off	12,264	1,813
Organization exps, written off	667	1,385
Net profit	2,737	5,318

*Covers period from Oct. 25, 1929 to Mar. 31, 1931.

Working Capital
as at Mar. 31

	1932 $	1931 $
Current assets	931,699	859,851
Current liabilities	28,501	16,159
Working capital	903,198	843,692

ONTARIO'S MINES MAINTAIN OUTPUT

September Gold Valued at $3,917,186—Porcupine Production Off

The total value of gold production in September from the Ontario mines was $3,917,186, down slightly from the preceding month but exceeded only by the production in May, June and August.

Seventeen producers contributed to the total in the following order Lake Shore, Hollinger, Teck-Hughes, McIntyre, Wright-Hargreaves, Dome, Howey, Coniaurum, Sylvanite, Toburn, Kirkland Lake Gold, Ankerite, Vipond, Moss, Minto, Barry-Hollinger and Parkhill.

The comparative production for each month of the current year with that of 1931 is as follows:

	—1931— Total Value	—1932— Ore Milled Tons	Total Value
Porcupine			
January	$ 1,572,676	274,095	$ 1,571,971
February	1,608,239	258,797	1,676,673
March	1,580,468	259,218	1,822,986
April	1,681,805	272,380	1,624,241
May	1,415,905	285,759	1,810,009
June	1,584,020	274,075	1,864,913
July	1,673,144	276,270	1,608,025
August	1,692,709	289,565	1,865,385
September	1,981,624	282,127	1,857,892
Total	$14,790,590	2,472,286	$15,702,095
Kirkland Lake—			
January	$ 1,649,436	148,793	$ 1,991,993
February	1,564,538	141,026	1,817,887
March	1,760,088	152,445	1,897,517
April	1,791,144	146,095	2,043,055
May	1,865,241	149,188	2,104,757
June	1,886,283	147,781	2,152,718
July	1,867,274	149,430	1,879,871
August	1,758,015	150,721	1,985,125
September	1,781,573	151,253	1,943,008
Total	$15,923,542	1,336,732	$17,815,931
Northwestern Ont.—			
January	$ 66,920	26,469	118,744
February	55,445	25,509	108,406
March	61,682	25,096	127,132
April	66,614	29,115	146,693
May	65,001	34,679	164,554
June	83,047	33,646	161,414
July	77,954	34,326	146,854
August	97,734	33,679	149,669
September	87,087	34,302	116,286
Total	$ 661,484	276,821	$ 1,238,752
Total for Province—			
January	$ 3,289,032	449,357	$ 3,682,708
February	3,228,222	425,332	3,602,966
March	3,402,238	436,759	3,847,635
April	3,539,563	447,590	3,813,989
May	3,346,147	469,626	4,079,320
June	3,553,300	455,502	4,179,045
July	3,618,372	460,026	3,632,750
August	3,548,458	473,965	3,999,179
September	3,850,284	467,682	3,917,186
Grd. tl.	$31,375,616	4,085,839	$34,756,778

In September receipts of crude gold bullion at the Royal Canadian Mint, Ottawa, from Ontario mines were 245,139 crude ounces, containing 197,108 fine ounces of gold and 24,366 fine ounces of silver, with a total value of $4,081,327.

Nickel Plate Mine in B.C. Given Another Chance

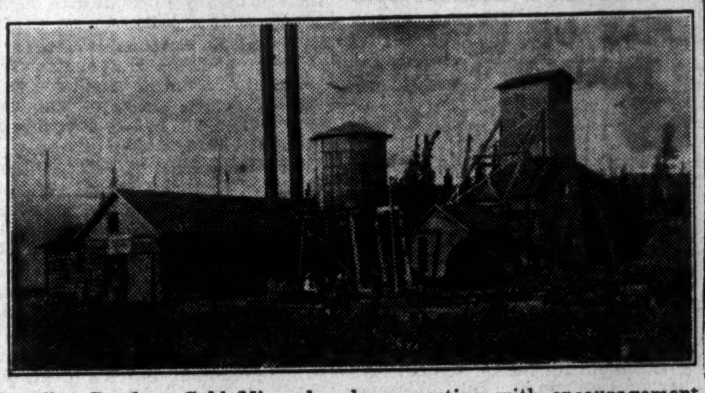
Advice from Vancouver states that a tentative agreement has been reached for the purchase of the Nickel Plate property near Hedley, B.C., following a geological examination by Messrs. Merser and Billingsby of New York.

The word is received with a great deal of interest as prior to closing down in 1930 Hedley Gold Mining Co., owners of the property, and its predecessor company, produced over $10,000,000 in gold and paid dividends totalling $2,640,000. In 1930 an extensive diamond drilling programme was completed to further explore the ore potentialities of the property. This work did not meet with success and now it is to receive further exploration by a group that is understood to have extensive holdings in United States and South America.

Cellophane Plant Increases Output

The new cellophane plant of Canadian Industries, Limited at Shawinigan Falls is steadily increasing its production, according to information given to a visiting party of directors and of others interested in this new industry.

Pandora at Interesting Stage



Canadian Pandora Gold Mines has been meeting with encouragement in developing its No. 5 vein on the 250-ft. level and plans to sink to an immediate objective of 500 ft. The company's property is adjacent to O'Brien in Cadillac Twp., Quebec.

High grade has been intersected on the 250-ft. level, according to officials.

In company with Dr. Bell, of the Quebec Geological Survey, directors of the company recently made an inspection of the property. A new vein in the north crosscut, which had not previously been explored, is the locale of the recent strike. This vein appears to be parallel to the No. 5 on which development work has been concentrated.

Saskatchewan Lignite Increasing in Popularity

While the coal output of Canada, in common with other countries, declined seriously during the last three years, one coal field that prospered was the lignite field of Southern Saskatchewan. During 1931 the output increased 13½ per cent over that of 1930, and the record for the first half of 1932 shows a still greater increase. The reasons for this interesting situation are set forth in some detail by R. L. Sutherland in the October Bulletin of the Canadian Institute of Mining and Metallurgy.

The early settlers in Saskatchewan, accustomed only to anthracite and bituminous coals in their former homes, did not know how to burn the lignite to advantage, which occurred at their doors in such abundance. The stoves and furnaces they used were not suited to the bulky lignite, consequently they continued for many years to bring coal from Alberta and from United States.

Astounding as it may seem, only during recent years has the attempt been made to adapt the furnaces and stoves to the use of the native fuel. This attempt has met with rapid success and today the Saskatchewan lignite is being readily burned by the householder and the industrialist as a desirable substitute for other fuel.

The area within which Saskatchewan lignite can meet successfully the competition of other coals from the east and west has a radius of about 300 miles, which takes in Winnipeg and the larger part of Saskatchewan. At present less than one-sixth of the fuel used in this area is lignite. If one-half this natural market were gained for the local fuel, it would represent two million tons a year, or almost four times the present output. Saskatchewan lignite producers have covetous eyes on this market.

Miners Show Farmers How To Clean Seed

Semi-commercial application of equipment was recently inaugurated by a leading seed company in Toronto to apply a new cleaning method for seeds, which has been under development for the past year by the mining laboratory of the University of Toronto.

Seeking new fields to conquer, a little over a year ago two instructors in the mining laboratory, Prof. F. C. Dyer and H. L. McClelland, interested themselves in the application of flotation principles for the separation of noxious seeds from the seed of the various members of the clover family. That a mining laboratory should interest itself in a subject so apparently foreign as the separation of weed seeds is in itself interesting, but that it should succeed in this effort while the agricultural colleges look on with amazement, is another triumph for mining engineers.

That a real contribution has been made is evidenced by the interest displayed by Toronto seed companies and also by seed dealers in the United States. The long established practice in cleaning various grass seeds of noxious seeds has been by gravity method, but when a seed of the same size, weight and shape is intermixed with members of the clover family and when a permissable allowance, by government seed graders, for these noxious weed seeds is in the ratio of about one weed seed to 20,000 clover seeds the problem presented is better understood.

Involved as the problem may seem to the layman, the application of flotation takes into consideration the "wetability" of the seed, which prompts it to sink while the good seed floats.

Old methods were quite successful in eliminating all but such weed seeds as campion, white cockle and catchfly. These three noxious weed seeds were so like the good seed itself as to almost defy separation by ordinary means, but by the application of flotation methods, similar in principle to that used in separating minerals in ore, an effective method has been evolved.

W. J. W. Lennox of the Seed Branch of the Dominion Department of Agricultural has the highest praise to offer for the results attained by mining engineers who are not supposed to know enough about farming as to be able to tell which end of the cow gets up first.

August Asbestos Output Shows Seasonal Gain

From Our Own Correspondent

MONTREAL.—Asbestos shipments in August showed an increase of 38 per cent over those of the previous month but fell below figures for August last year. Shipments totalled 9,918 tons compared with 7,164 tons in July, and 13,221 tons in August, 1931. Exports were up 28 per cent over July and value of imports dropped 23 per cent.

For the eight months ended August 31 production totalled 72,539 tons. This compared with 106,755 tons in the same period in the previous year an indication of the situation confronting Asbestos Corp., the largest producer in Canada.

It is stated that prices for magnesia and compressed sheet fibres showed a gain of $5 a ton in August. Other grades showed no variation.

McINTYRE EARNS 71c PER SHARE IN LAST QUARTER

Gross Income Lower But Operating Costs Decline

Earnings by McIntyre Porcupine Mines continue at high levels with the net profit for the three months ended September 30, 1932, amounting to $569,982, equivalent to 71 cents a share as compared with $557,737 or 70 cents a share earned in the previous quarter.

The gross income showed a decline in the last quarter but the operating expenses including taxes and depreciation were somewhat lower.

The following tabulation gives comparative figures for the past two quarters of 1932.

Quarterly Income Account

	3 mo. end. June 30 $	3 mo. end. Sept. 30 $
Gross. Income	1,450,844.58	1,449,008.81
Less:		
Costs	753,385.37	742,177.99
Taxes	71,740.98	70,519.47
Deprec.	67,981.01	66,328.47
Net Profit	557,737.22	569,982.88
Earnings per share	0.70	0.71

Metal Prices

New York—October 18.
Copper: Electrolytic spot, 6¼c. lb.
London—October 18.
(Long Ton)—
Copper: Electrolytic spot £36 5s.; future, £36 15s. Standard spot, £32 2s. 6d.; future, £32 5s.
Tin: Spot, £153; future, £153 10s.
Lead: Spot, £11 12s. 6d.; future, £11 17s 6d.
Zinc: Spot, £14 12s. 6d.; future, £14, 17s. 6d.
Silver: 17¾d. per ounce.

TURNER VALLEY NAPHTHA OUTPUT IS MUCH LOWER

September Output Off 40 Per Cent From High Point in March

Production of naphtha and crude oil from the Turner Valley wells shows a further decline in September reflecting further curtailment of gas flow by the Alberta Gas Conservation Commission. From a peak production of 71,533 barrels in March this year the production has steadily declined with the September output reduced to about 40 per cent of the March production.

The following tabulation shows the delivery of petroleum to the respective refineries as well as the total production recorded throughout the Dominion for the seven months ended August 31, 1932:

Production of Alberta Wells
Deliveries to Imperial Refinery, 1932

Crude & Discolored Naphtha:	Sept.	Jan.-Sept.
Royalite	6,169	71,409
Advance	468	6,461
Associated	169	3,615
Baltac	161	601
Dalhousie	1,114	13,475
Foothills	2,751	21,981
Mayland	3,854	22,978
Merland	5,405	60,298
Southern Lowery	3,001	46,878
Sterling Pacific	3,615	43,789
Lowery	....	4,645
Home	1,116	17,767
Hargal	198	198
Hylo	604	6,081
Southwest Pete.	364	5,506
Alta. Pac. Con.	....	692
British Dominion	....	876
Commonwealth	....	702
East Crest	....	8,749
Mercury	5,487	67,843
Miracle	....	7,700
Mill City	....	176
Richfield	....	1,930
Structure	759	7,656
Total naphtha	35,225	445,213
Crude Oil:		
Royalite	206	1,583
Dalhousie	583	5,029
Home	317	2,385
Hylo	....	6,210
Model	2,905	40,698
Total crude oil	4,011	55,905
Total Imperial deliv.	39,736	501,118

Deliveries to Regal Refinery

Crude Naphtha:	Sept.	Jan.-Sept.
Okalta	1,073	15,452
Wellington	....	409
Homestead	250	6,312
United	....	318
Alta. Federated	178	1,353
Calmont	....	1,158
Miracle	....	1,081
Mercury	....	4,055
Total crude naphtha	1,501	29,133

Deliveries to Bell Refinery

Crude Naphtha:	Sept.	Jan.-Sept.
Spooner	2,715	12,719
Vulcan	....	1,006
Richfield	....	1,386
Miracle	401	696
Total crude naphtha	3,116	15,807

Total Deliveries

Sept., 1932 (Imp. & Regal)	40,737
Aug., 1932 (Imp. & Regal)	51,721
July, 1932 (Imp. & Regal)	53,635
June, 1932	64,324
May, 1932	65,709
April, 1932	65,641
March, 1932	71,533
February, 1932	67,789
January, 1932	68,898

Alberta Production, Aug., 1932

Turner Valley (naphtha)	68,696
Turner Valley (light crude)	1,013
Red Coulee (light crude)	2,442
Wainwright	745
Total	72,896

Canada Production
7 Months, 1932

Alberta:	
Turner Valley (naphtha)	536,850
Turner Valley (light crude)	14,525
Red Coulee (light crude)	21,671
Wain-Ribstone (light crude)	3,423
Total	576,467
New Brunswick	3,318
Ontario	72,753
Canada	652,538

Buchans Mine Shipments at New Record Levels

September shipments of concentrates by Buchans Mining Co. in Newfoundland were greater than any month since operations started in October, 1928, with shipments totalling 1,070 carloads containing 25,023 short tons.

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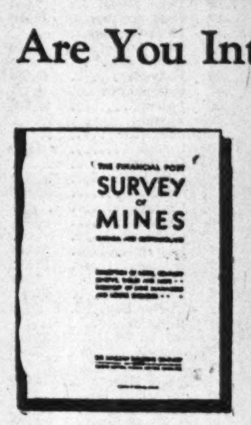

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